As filed with the Securities and Exchange Commission on September 13, 2021

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Life Time Group Holdings, Inc.
(Exact name of registrant as specified in its charter)

Delaware	7997	47-3481985
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

2902 Corporate Place
Chanhassen, Minnesota 55317
952-947-0000
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Thomas E. Bergmann
2902 Corporate Place
Chanhassen, Minnesota 55317
952-947-0000
(Name, address, including zip code, and telephone number, including area code, of agent for service)

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Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this registration statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 check the following box. ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act. ☐

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Offering Price Per Share(1)(2)	Amount of Registration Fee
Common stock, $0.01 par value per share	$100,000,000	$10,910

(1) Estimated solely for the purpose of computing the amount of the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.
(2) Includes the aggregate offering price of shares of common stock that the underwriters have the option to purchase from the registrant to cover sales of additional shares by the underwriters.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the Registration Statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities, and we are not soliciting offers to buy the securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED SEPTEMBER 13, 2021.

Shares

Life Time Group Holdings, Inc.

Common Stock

This is an initial public offering of shares of common stock of Life Time Group Holdings, Inc. We are selling all of the shares to be sold in the offering.

Prior to this offering, there has been no public market for our common stock. The initial public offering price is expected to be between $ and $ per share. After pricing of the offering, we expect that our common stock will trade on the New York Stock Exchange (the "NYSE") under the symbol "LTH."

After the consummation of this offering, we expect to be a "controlled company" within the meaning of the corporate governance standards of the NYSE. Following the consummation of the offering, certain of our existing stockholders (which we refer to as the Voting Group) will hold approximately % of the voting power of our common stock. The Voting Group, among other things, will have the ability to approve or disapprove substantially all transactions and other matters requiring approval by our stockholders, including the election of directors.

Investing in our common stock involves risk. See "Risk Factors" beginning on page 25 to read about factors you should consider before buying shares of our common stock.

	Per Share	Total
Public offering price	$	$
Underwriting discount(1)	$	$
Proceeds, before expenses, to us	$	$

(1) We have agreed to reimburse the underwriters for certain FINRA-related expenses. See "Underwriting (Conflicts of Interest)" for additional information regarding compensation payable to the underwriters.

The underwriters may also exercise their option to purchase up to an additional shares from us, at the public offering price, less the underwriting discount, for 30 days after the date of this prospectus to cover sales of additional shares by the underwriters.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Delivery of the shares of common stock will be made on or about , 2021.

Joint Book-Running Managers

Goldman Sachs & Co. LLC **Morgan Stanley** **BofA Securities**

(in alphabetical order)

Deutsche Bank Securities **J.P. Morgan** **Wells Fargo Securities** **BMO Capital Markets** **Mizuho Securities** **RBC Capital Markets**

Co-Managers

Guggenheim Securities **Oppenheimer & Co.** **BTIG** **TPG Capital BD, LLC**

The date of this prospectus is , 2021.

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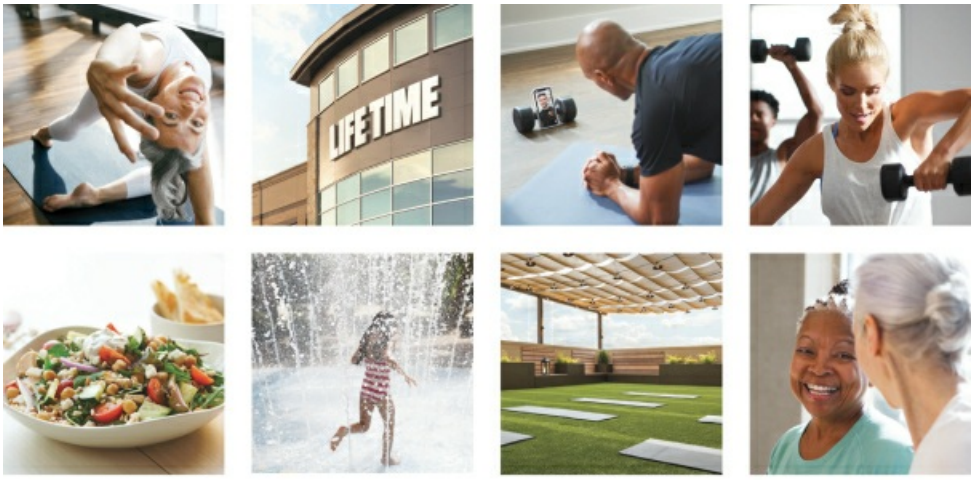
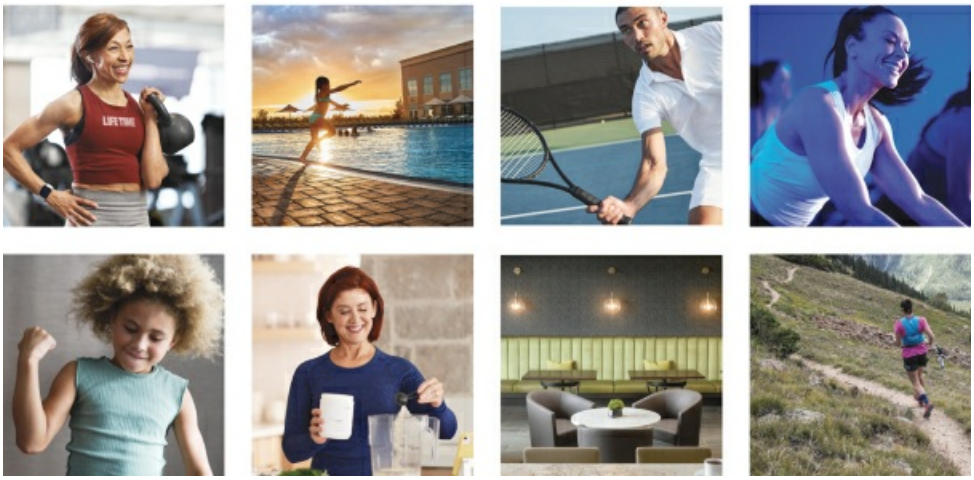


Empowering everyone to live a healthy, happy life



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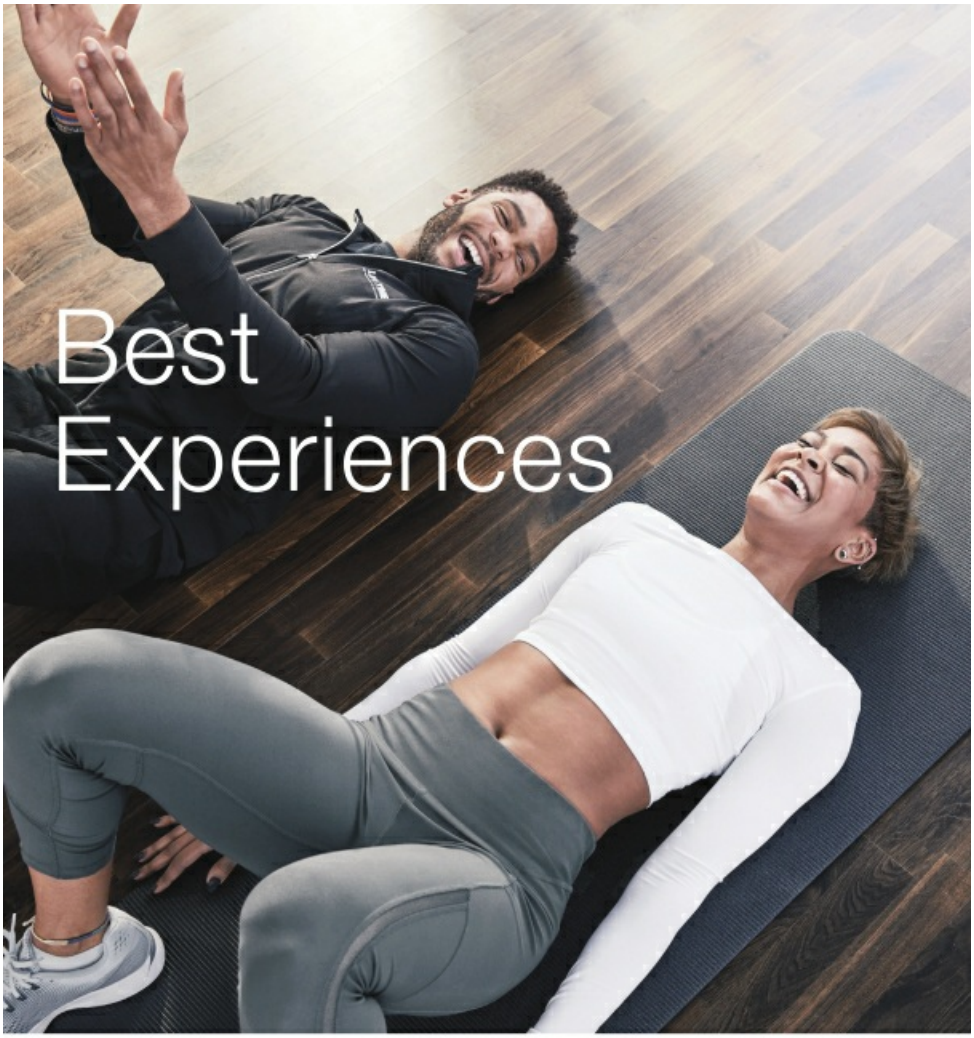

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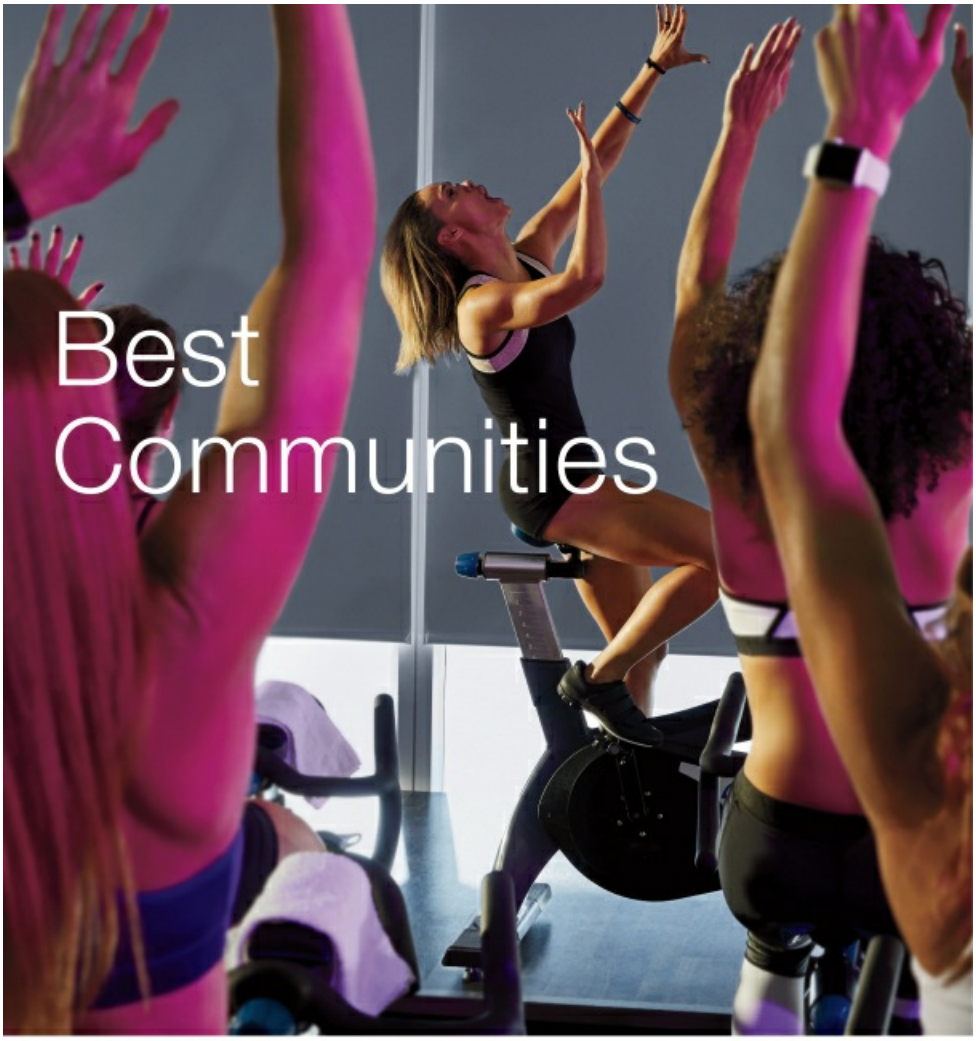

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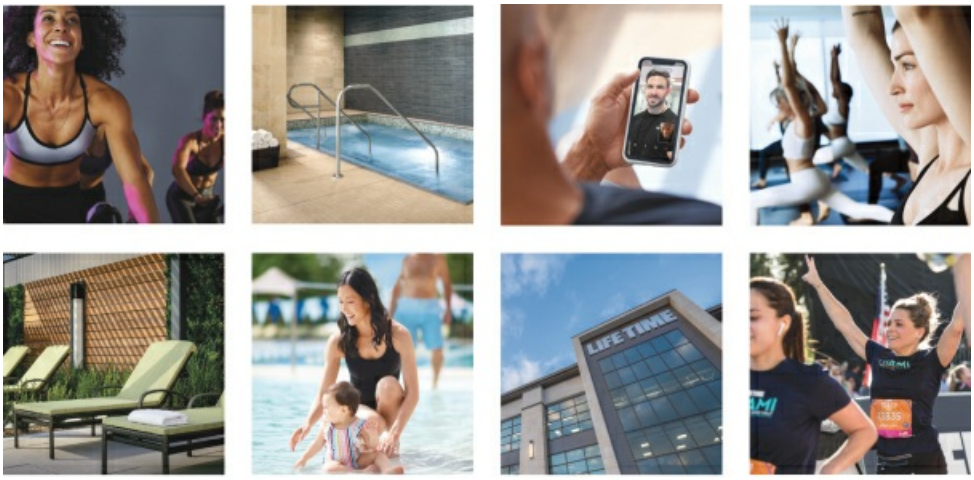
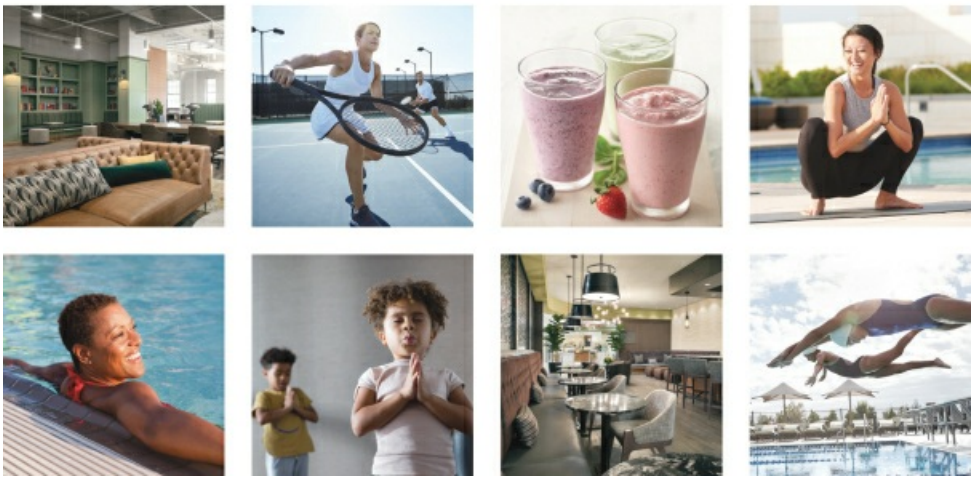


The Healthy Way of Life Company



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ABOUT THIS PROSPECTUS

We and the underwriters have not authorized anyone to provide you with any information or to make any representations other than those contained in this prospectus or in any free writing prospectuses we have prepared. We and the underwriters take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may provide you. Offers to sell, and solicitations of offers to buy, shares of our common stock are being made only in jurisdictions where offers and sales are permitted.

No action is being taken in any jurisdiction outside the United States to permit a public offering of common stock or possession or distribution of this prospectus in that jurisdiction. Persons who come into possession of this prospectus in jurisdictions outside the United States are required to inform themselves about and to observe any restriction as to this offering and the distribution of this prospectus applicable to those jurisdictions.

INDUSTRY AND MARKET AND OTHER DATA

We have obtained some industry and market share data from third-party sources that we believe are reliable. In many cases, however, we have made statements in this prospectus regarding our industry and our position in the industry based on estimates made from our experience in the industry and our own investigation of market conditions. We believe these estimates to be accurate as of the date of this prospectus. However, this information may prove to be inaccurate because of the method by which we obtained some of the data for our estimates or because this information cannot always be verified with complete certainty due to the limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties. As a result, you should be aware that the industry and market data included in this prospectus, and estimates and beliefs based on that data, may not be reliable. In addition, some publications, studies and reports for the industry and market share data were published before the global COVID-19 pandemic and therefore do not reflect any impact of the COVID-19 pandemic on any specific market or globally. We and the underwriters cannot guarantee the accuracy or completeness of any such information.

Certain monetary amounts, percentages and other figures included in this prospectus have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables and charts may not be the arithmetic aggregation of the figures that precede them, and figures expressed as percentages in the text may not total 100% or, as applicable, when aggregated may not be the arithmetic aggregation of the percentages that precede them.

BASIS OF PRESENTATION

Unless the context otherwise requires, references in this prospectus to:

- the term “Credit Agreement” refers to that certain credit agreement (as amended, restated, modified and/or supplemented from time to time), dated as of June 10, 2015, governing our Credit Facilities;
- the term “Credit Facilities” refers to (i) our $850 million senior secured term loan facility maturing in December 2024 (the “Term Loan Facility”) and (ii) our $357.9 million senior secured revolving credit facility (the “Revolving Credit Facility”), approximately $32.7 million of which matures in August 2022 (the “Non-Extended Revolving Tranche”) and approximately $325.2 million of which will mature in September 2024 (the “Extended Revolving Tranche”);
- the term “Founder” refers to Bahram Akradi, our Founder, Chairman and Chief Executive Officer and, unless otherwise stated or the context otherwise requires, entities affiliated with Mr. Akradi;
- the term “GAAP” refers to the generally accepted accounting principles in the United States;

- the term "Indentures" refers collectively to the indentures governing our Unsecured Notes and our Secured Notes;
- the term "Intermediate Holdings" refers to LTF Intermediate Holdings, Inc., a direct subsidiary of the Company;
- the term "J. Safra" refers to JSS LTF Holdings Limited together with any transferee controlled directly or indirectly by Mr. Joseph Yacoub Safra's family or the J. Safra Group;
- the term "LifeCo" refers to LifeCo LLC and its affiliates;
- the term "LGP" refers to Leonard Green & Partners, L.P. and its affiliates as described under "Summary—Our Principal Stockholders";
- the term "LNK" refers to LNK Partners and its affiliates;
- the term "LT Inc." refers to Life Time, Inc. and not to any of its consolidated subsidiaries;
- the term "MSD" refers to MSD Partners, L.P. and its affiliates;
- the term "MSD Investors" collectively refers to MSD Capital, L.P. ("MSD Capital") and MSD and their respective affiliates;
- the term "Notes" refers collectively to the Unsecured Notes and the Secured Notes;
- the term "PG" refers to Partners Group (USA) Inc. and its affiliates;
- the term "Secured Notes" refers to the $925 million aggregate principal amount of 5.750% Senior Secured Notes due 2026 issued by LT Inc. on January 22, 2021;
- the term "Series A Preferred Stock" refers to our Series A Convertible Participating Preferred Stock, par value $0.01 per share, which will be automatically converted into shares of our common stock in connection with the consummation of this offering;
- the term "SLT" refers to SLT Investors, LLC and its affiliates;
- the term "Stockholders Agreement" refers to the amended and restated stockholders agreement to be effective upon the consummation of this offering and to be entered into by and among the Voting Group, certain of our directors and executive officers, certain of our other existing stockholders and the Company;
- the term "TPG" refers to TPG Global, LLC and its affiliates as described under "Summary—Our Principal Stockholders";
- the term "TRS" refers to Teacher Retirement System of Texas and its affiliates;
- the term "Unsecured Notes" refers to the $475 million aggregate principal amount of 8.000% Senior Notes due 2026 issued by LT Inc. on February 5, 2021;
- the term "Voting Group" refers collectively to certain affiliates of LGP, TPG, LNK, MSD Investors, LifeCo, PG, TRS, J. Safra, SLT and our Founder, all of whom will be parties to the Stockholders Agreement as described in "Certain Relationships and Related Party Transactions—Stockholders Agreement." Following the consummation of this offering, the Voting Group will hold in the aggregate a supermajority of the voting power of our common stock; and
- the terms "we," "us," "our," "its," the "Company" and "Life Time" refer to Life Time Group Holdings, Inc. and its consolidated subsidiaries.

TRADEMARKS

We own or otherwise have rights to the trademarks, service marks, copyrights and trade names, including those mentioned in this prospectus, that are used in conjunction with the marketing of our services. This prospectus includes trademarks, such as LIFE TIME®, EXPERIENCE LIFE®, LIFECAFE®, LIFESPA®, LIFE

TIME HEALTY WAY OF LIFE®, LIFE TIME WORK® and LIFE TIME LIVING®, which are protected under applicable intellectual property laws and are our property and/or the property of our subsidiaries. This prospectus also contains trademarks, service marks, copyrights and trade names of other companies, which are the property of their respective owners. We do not intend our use or display of other companies' trademarks, service marks, copyrights or trade names to imply a relationship with, or endorsement or sponsorship of us by, any other companies. Solely for convenience, our trademarks and trade names referred to in this prospectus may appear without the ® or ™ symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the right of the applicable licensor to these trademarks and trade names.

NON-GAAP FINANCIAL MEASURES

We present certain non-GAAP measures in this prospectus, such as Adjusted EBITDA and free cash flow before growth capital expenditures and ratios related thereto. These measures are derived on the basis of methodologies other than in accordance with GAAP. We use Adjusted EBITDA as an important performance metric for the Company. In addition, free cash flow before growth capital expenditures is an important liquidity metric we use to evaluate our ability to make principal payments on our indebtedness and to fund our capital expenditures and working capital requirements.

Adjusted EBITDA

We define Adjusted EBITDA as net income (loss) before interest expense, net, provision for (benefit from) income taxes and depreciation and amortization, excluding the impact of share-based compensation expense, gain (loss) on sale-leaseback transactions, capital transaction costs, legal settlements, asset impairment and other items that are not indicative of our ongoing operations, including incremental costs related to COVID-19.

Management uses Adjusted EBITDA to evaluate the Company's performance. We believe that Adjusted EBITDA is an important metric for management, investors and analysts as it removes the impact of items that we do not believe are indicative of our core operating performance and allows for consistent comparison of our operating results over time and relative to our peers. We use Adjusted EBITDA to supplement GAAP measures of performance in evaluating the effectiveness of our business strategies, and to establish annual budgets and forecasts. We also use Adjusted EBITDA to establish short-term incentive compensation for management.

Free Cash Flow Before Growth Capital Expenditures

We define free cash flow before growth capital expenditures as net cash provided by (used in) operating activities less center maintenance capital expenditures and corporate capital expenditures. We believe free cash flow before growth capital expenditures assists investors and analysts in evaluating our liquidity and cash flows, including our ability to make principal payments on our indebtedness and to fund our capital expenditures and working capital requirements. Our management considers free cash flow before growth capital expenditures to be a key indicator of our liquidity and we present this metric to our board of directors. Additionally, we believe free cash flow before growth capital expenditures is frequently used by analysts, investors and other interested parties in the evaluation of companies in our industry. We also believe that investors, analysts, and rating agencies consider free cash flow before growth capital expenditures as a useful means of measuring our ability to make principal payments on our indebtedness and evaluating our liquidity, and management uses this measurement for one or more of these purposes.

Adjusted EBITDA and free cash flow before growth capital expenditures should be considered in addition to, and not as a substitute for or superior to, financial measures calculated in accordance with GAAP. These are not measurements of our financial performance under GAAP and should not be considered as alternatives to net

income (loss) or any other performance measures derived in accordance with GAAP or as an alternative to net cash provided by operating activities as a measure of our liquidity and may not be comparable to other similarly titled measures of other businesses. Adjusted EBITDA and free cash flow before growth capital expenditures have limitations as analytical tools, and you should not consider these measures in isolation or as a substitute for analysis of our operating results or cash flows as reported under GAAP. Some of these limitations include that:

- these measures do not reflect our cash expenditures, or future requirements, for capital expenditures or contractual commitments;
- not all of these measures reflect changes in, or cash requirements for, our working capital needs;
- these measures do not reflect the cash requirements necessary to make principal payments on our indebtedness;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and not all of these measures reflect cash requirements for such replacements;
- non-cash compensation is and will remain a key element of our overall long-term incentive compensation package, although we exclude it as an expense when evaluating our ongoing operating performance for a particular period; and
- these measures do not reflect the impact of certain cash charges resulting from matters we consider not to be indicative of our ongoing operations.

Furthermore, we compensate for the limitations described above by relying primarily on our GAAP results and using Adjusted EBITDA and free cash flow before growth capital expenditures only for supplemental purposes. See our consolidated financial statements included elsewhere in this prospectus for our GAAP results.

For additional information on Adjusted EBITDA and free cash flow before growth capital expenditures, including a reconciliation to the most comparable GAAP measure, see “Prospectus Summary—Summary Historical Consolidated Financial Information.”

LETTER FROM OUR FOUNDER

I founded Life Time nearly 30 years ago to create happy and healthy communities – places of unmatched size, scope, quality, architecture and design that the entire family could enjoy together – and meet all of their health and wellbeing needs conveniently under one roof.

From the very beginning, all aspects of our Life Time athletic resorts have been designed and created from the member point of view, or what we call "MPV." This has been our guiding light every day, through every evolution and decision we have made for three decades. The result of this customer-centric obsession is that Life Time has become what we believe is one of the most trusted and loved lifestyle brands in the United States and Canada.

Creating and sustaining a trusted community – where members know their experiences will always be exceptional – requires the highest levels of passion and commitment from our entire team. Our more than 30,000 professionals are dedicated to providing the best programs and experiences, in the best facilities, delivered by the best people and performers. By consistently delivering extraordinary experiences, we have built a highly trusted, premium lifestyle brand that embraces all aspects of healthy living, healthy aging and healthy entertainment. Collectively, it is what we call "Healthy Way of Life," or "HWOL." This is a unique lens through which we can examine every aspect of our lives. It is a healthy perspective on physical, mental and social wellbeing.

To build our HWOL brand that is loved and trusted by members, we have dedicated ourselves to identifying, training and empowering team members who trust our company like their own families. This was achieved naturally and intuitively at the start and, as our Company has grown, we have intentionally and systematically made it the foundation of what we call our "Culture of Care." Creating and fostering this culture involves numerous critical details and initiatives – from casting, onboarding, training, certification and career path planning, to establishing supporting programs, such as our Life Time Team Foundation, Life Time University and Life Time Inclusion Council.

Our Culture of Care for team members and our tireless commitment to provide uncompromising member experiences has allowed thousands of passionate Life Time team members to help a community of millions of members live healthier, happier lives every day.

At Life Time, we have always believed in the power of innovation, imagination and transformation with every opportunity – and that adversity and change make us stronger. Since our founding, we have continued to innovate all aspects of our HWOL ecosystem with this in mind. When presented with significant challenges, we have responded with even more intensity to innovate, adapt and find new ways forward – always with the objective of enhancing our ability to support members on their health and wellbeing journeys.

During the COVID-19 pandemic, we quickly reexamined every aspect of our operations and made rapid adjustments to ensure we could continue delighting members. We also significantly enhanced our Life Time Digital offering to streamline the athletic resort experience and provide our members with hundreds of weekly, live-streamed classes in every modality of exercise, virtual personal training, nutrition and weight loss programs, meditation, Health Source, Health Talks, and other training and wellness content. Longer term, we see a significant opportunity to provide digital HWOL opportunities to the world through this evolving platform given the tremendous strength of the Life Time brand and our content. Together with our physical athletic resorts, we believe Life Time will offer omni-channel HWOL experiences that simply cannot be matched.

Over the last six years, our robust real estate and development capabilities have allowed us to play a direct role in partnership with major shopping mall owners and developers to help reimagine and redefine their retail real estate into mixed-use developments – which we believe provide far better experiences for consumers. Our strengths in this area, paired with our powerful brand, have provided us with dozens of new, highly attractive, sought-after locations for our athletic resorts in dense urban environments with very strong economics.

Our dynamic brand and innovative spirit have also allowed us to expand the Life Time HWOL ecosystem through the creation of comprehensive, healthy communities that allow members to live, work, exercise and play in all-in-one, naturally and intuitively environmentally friendly Life Time destinations – with the added benefits of no lost time or the need for transportation.

I am extremely proud of the company and brand we have built – and even more excited about our future. As we emerge from the COVID-19 pandemic, the consumer demand for Life Time is very strong as evidenced by the acceleration we are currently seeing in new membership acquisition and dues revenue growth. We believe there are incredible growth opportunities ahead to expand our omni-channel ecosystem. As we approach our 30th anniversary, I have never been more passionate about our company and the influence we can have in bringing millions more people a Healthy Way of Life.

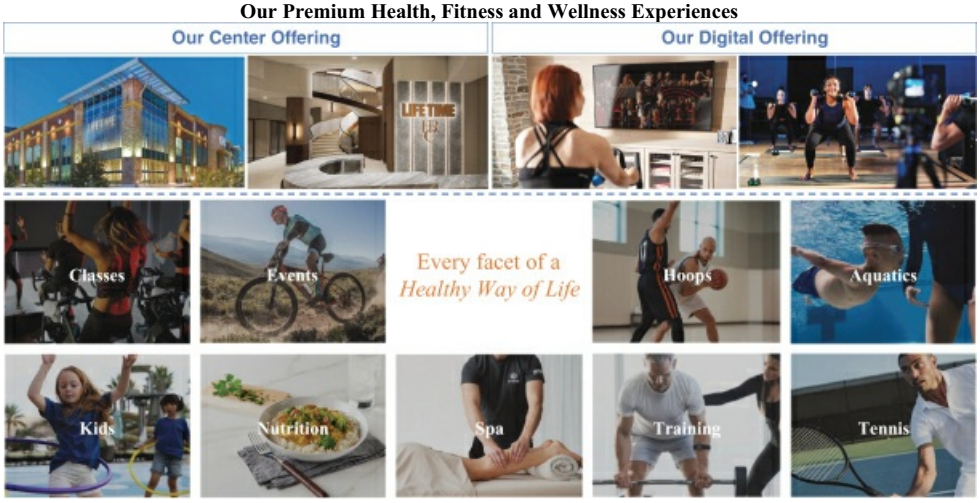
PROSPECTUS SUMMARY

This summary highlights information contained in greater detail elsewhere in this prospectus and does not contain all of the information that you should consider in making your investment decision. Before investing in our common stock, you should carefully read this entire prospectus, including our financial statements and the related notes included elsewhere in this prospectus, and the information set forth under "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Who We Are

Life Time, the "Healthy Way of Life Company," is a leading lifestyle brand offering premium health, fitness and wellness experiences to a community of nearly 1.4 million individual members, who together comprise more than 767,000 memberships, as of July 31, 2021. Since our founding nearly 30 years ago, we have sought to continuously innovate ways for our members to lead healthy and happy lives by offering them the best places, programs and performers. We deliver high-quality experiences through our omni-channel physical and digital ecosystem that includes more than 150 centers—distinctive, resort-like athletic destinations—across 29 states in the United States and one province in Canada. Our track record of providing differentiated experiences to our members has fueled our strong, long-term financial performance. In 2019, prior to the COVID-19 pandemic, we generated $1.9 billion of revenue, $30 million in net income and $438 million in Adjusted EBITDA. In 2020, which was impacted by the COVID-19 pandemic, we generated $0.9 billion of revenue, $360 million in net loss and $(63) million in Adjusted EBITDA, and in the six months ended June 30, 2021, we generated $0.6 billion of revenue, $229 million in net loss and $(15) million in Adjusted EBITDA.

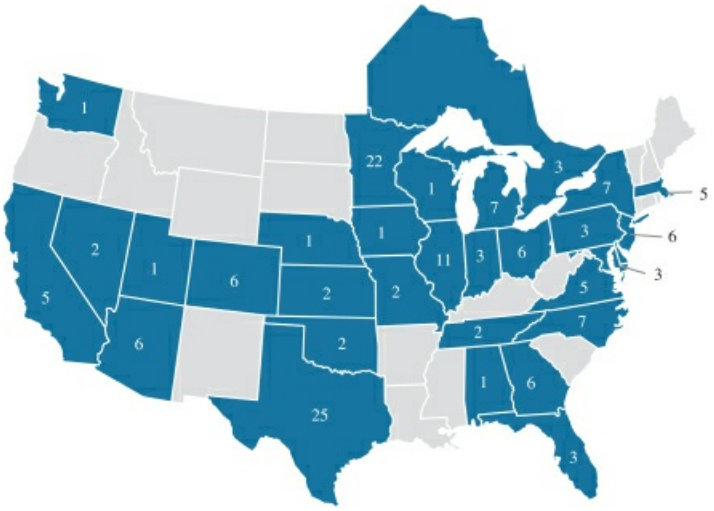
Our Premium Health, Fitness and Wellness Experiences



Our luxurious athletic centers, which are located in both affluent suburban and urban locations, total more than 15 million square feet in the aggregate. We offer expansive fitness floors with top-of-the-line equipment, spacious locker rooms, group fitness studios, indoor and outdoor pools and bistros, indoor and outdoor tennis courts, basketball courts, LifeSpa, LifeCafe and our childcare and Kids Academy learning spaces. Our premium service offering is delivered by approximately 30,000 Life Time team members, including over 6,100 certified fitness professionals, ranging from personal trainers to studio performers. Our members are highly engaged and

draw inspiration from the experiences and community we have created, as demonstrated by the 92 million visits to our centers in 2019, the 48 million visits to our centers in 2020 despite the COVID-19 pandemic and the 32 million visits to our centers during the first six months of 2021.

Our Footprint of Premium Athletic Centers
(as of August 31, 2021)



We believe that no other company in the United States delivers the same quality and breadth of health, fitness and wellness experiences as we deliver, which has enabled us to consistently grow our recurring membership dues and in-center revenues for 20 consecutive years, prior to the impact of the COVID-19 pandemic. As of December 31, 2019, December 31, 2020 and June 30, 2021, our recurring membership dues represented 63%, 69% and 68%, respectively, of our total revenue, while our in-center revenue, consisting of Life Time Training, LifeCafe, LifeSpa, Life Time Swim and Life Time Kids, among other services, represented 34%, 29% and 30%, respectively, of our total revenue. Between 2015 and 2019, we grew our average revenue per membership from $1,883 to $2,172, a testament to the significant value that our members place on engaging with Life Time. Our Net Promoter Score increased from 34 as of December 31, 2017 to 53 as of June 30, 2021, demonstrating our ability to continuously enhance our member experience. While average revenue per membership fell to $1,317 in 2020, we have seen a strong rebound already in 2021, with $984 in average revenue per membership during the six months ended June 30, 2021.

We continue to evolve our premium lifestyle brand in ways that allow our members to more easily and regularly integrate health, fitness and wellness into their lives. We are enhancing our digital platform to deliver a true omni-channel experience for our members. Our Life Time Digital offering delivers live streaming fitness classes, remote goal-based personal training, nutrition and weight loss support and curated award-winning health, fitness and wellness content. Through an agreement with Apple®, we also provide Apple Fitness+ to our members, which gives our members expanded content and wellness data monitoring on the go. In addition, our members are able to purchase a wide variety of equipment, wearables, apparel, beauty products and nutritional supplements via our digital health store. We are continuing to invest in our digital capabilities in order to

strengthen our relationships with our members and more comprehensively address their health, fitness and wellness needs so that they can remain engaged and connected with Life Time at any time or place.

We are also expanding our ecosystem in response to our members' desire to more holistically integrate health and wellness into every aspect of their daily lives. In 2018, we launched Life Time Work, an asset-light branded co-working model, which offers premium work spaces in close proximity to our centers and integrates ergonomic furnishings and promotes a healthy working environment. Life Time Work members also receive access to all of our resort-like athletic destinations across the United States and Canada. Additionally, we opened our first Life Time Living location in 2021, another asset-light extension of our "Healthy Way of Life" ecosystem, which offers luxury wellness-oriented residences. As we expand our footprint with new centers and nearby work and living spaces, as well as strengthen our digital capabilities, we expect to continue to grow our omni-channel platform to support the "Healthy Way of Life" journey of our members wherever they are.

Our Transformation Under Private Ownership Since 2015

Since going private in 2015, we have significantly expanded our national footprint, accelerated unit growth in a capital efficient manner and invested in omni-channel capabilities for future growth.

Expanded National Footprint and Strategic Focus on Locations in Affluent Metropolitan Statistical Areas ("MSA's")	• Increased presence in urban and coastal markets such as Boston, Chicago, New York City and California • Maximizing full market potential by expanding our center locations to mall/retail, urban and residential tower locations in addition to traditional suburban locations • For centers opened prior to 2015, our average annual revenue per center membership was $1,991. For centers opened after 2015, this grew to $3,089 in 2019 prior to the COVID-19 pandemic, was $1,716 in 2020 during the COVID-19 pandemic, and has recovered to $1,345 in the six months ended June 30, 2021
Asset-light, Flexible Real Estate Strategy	• 58% of centers are now leased, including approximately 84% of new centers opened since 2014, versus a predominantly owned real estate strategy prior to 2015 • Flexibility to monetize significant underlying real estate value • New center return on invested capital target of mid-to-upper thirties percent, more than double historical trends
Expanded Omni-Channel Membership Offerings	• Enhanced our digital capabilities, including our upgraded Life Time Digital app • Entered into a strategic relationship with Apple Fitness+ • Entering the co-working and residential living markets with Life Time Work and Life Time Living

In connection with going private in 2015, we incurred a substantial amount of indebtedness. As of June 30, 2021, we had total consolidated indebtedness outstanding of approximately $2,407 million, and for the six months ended June 30, 2021, our interest expense, net of interest income was $136.3 million. As of June 30, 2021, our annual debt service obligation was approximately $185 million, which includes principal and interest payments under the credit agreement governing our Credit Facilities and the indentures governing our Secured Notes and Unsecured Notes. See "Capitalization" and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Debt Capitalization." As of June 30, 2021, on an as adjusted basis to give effect to the use of a portion of the proceeds from this offering to repay amounts outstanding under our Term Loan Facility, we would have had total consolidated indebtedness of approximately $ million and our annual debt service obligation would have been approximately $ million, which includes principal and interest payments under the credit

agreement governing our Credit Facilities and the indentures governing our Secured Notes and Unsecured Notes. See "Use of Proceeds."

Financial Performance

Our compelling financial profile is distinguished by our long-term track record of consistent revenue growth prior to the COVID-19 pandemic, growth of new centers in attractive markets, a high percentage of predictable recurring membership revenue, increasing revenue per center membership and strong profitability.

Long-Term Track Record of Revenue Growth. We believe the strength of our brand and the effective execution of our operating strategy have driven our long-term track record of growth. Prior to the impact of COVID-19 in 2020, we grew our revenue each year from 2000 through 2019.

Highly Successful New Center Openings. Our asset-light, flexible real estate strategy and compelling center economics have enabled us to successfully open new centers in attractive markets. From 2016 through August 31, 2021, we opened 40 new centers, increasing our total center count by 34.8%.

Predictable Recurring Membership Revenue. Due to our strong membership base, our membership dues represent a predictable recurring revenue stream that provides stability to our business. Center memberships grew from approximately 814,000 at the end of 2018 to approximately 854,000 at the end of 2019. Center memberships were approximately 501,000 at the end of 2020 as a result of the COVID-19 pandemic, and have rebounded to approximately 658,000 as of June 30, 2021. With respect to the net increase of approximately 157,000 Center memberships during the first six months of 2021, the percentage of that net increase attributable to members converting from Digital On-hold was approximately 61%, or 96,000 memberships. The proportion of our total revenue generated by the resulting recurring membership dues was 63% in 2019 and 69% in 2020.

Increasing Average Revenue Per Center Membership. Between 2015 and 2019, we grew our average revenue per center membership from $1,883 in 2015 to $2,172 in 2019, a testament to the significant value that our members place on engaging with Life Time. As a result of the COVID-19 pandemic, average revenue per membership fell to $1,317 in 2020, and has recovered to $984 for the first six months ended June 30, 2021.

Strong Profitability. We maintain a highly profitable business model, achieving a 1.6% net income margin and a 23.0% Adjusted EBITDA margin in 2019. These metrics were impacted by the COVID-19 pandemic in 2020, falling to (38.0)% and (6.6)%, respectively, in 2020.

Impact of COVID-19 on Our Financial Performance

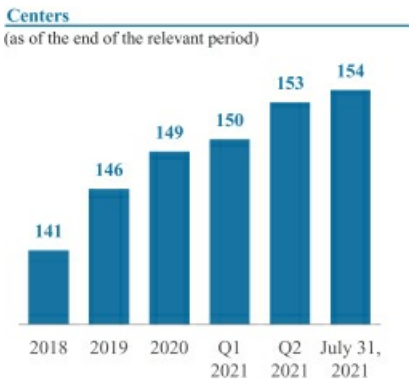
On March 16, 2020, we closed all of our centers based on orders and advisories from federal, state and local governmental authorities responding to the spread or threat of spread of COVID-19. While our centers were closed, we did not collect monthly access membership dues or recurring product charges from our members. We re-opened our first center on May 8, 2020 and have continued to re-open our centers in accordance with evolving state and local governmental guidance. As of August 31, 2021, all of our 155 centers were open.

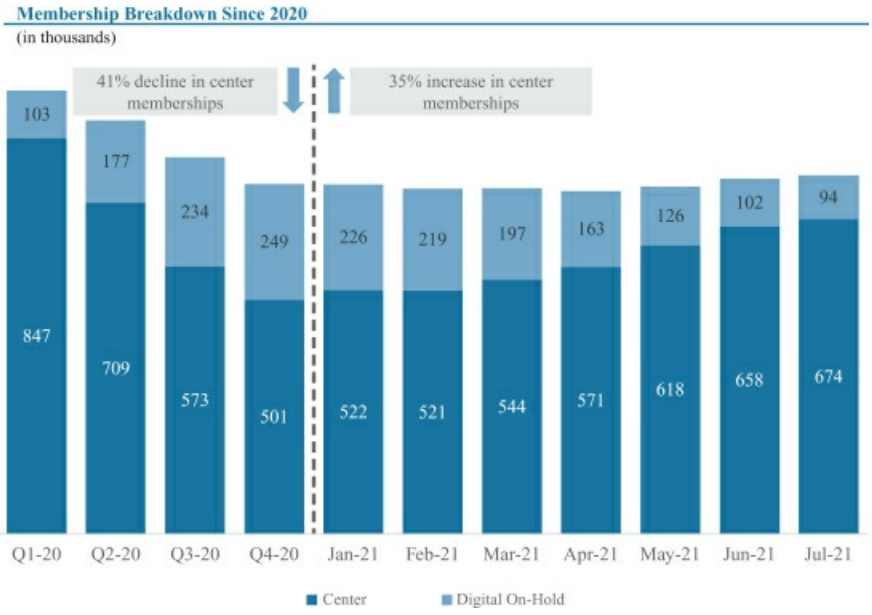
After the onset of the COVID-19 pandemic, we prioritized the health and safety of our members and team members by developing and implementing robust COVID operating protocols, while taking appropriate steps to ensure our financial stability, including by reducing operating expenses, delaying capital investments and securing additional debt financing. We continue to refine these protocols and may take further actions as government authorities require or recommend or as we determine to be in the interests of our members, team members, vendors and service providers as we operate in the evolving COVID-19 environment, including as a result of variants such as the Delta variant. Despite the challenges presented by the governmental response to the COVID-19 pandemic with respect to the health, fitness and wellness industry, we have remained committed to our mission and our members, and have already witnessed a strong recovery and substantial momentum in 2021.

Number of Centers. While our new center construction and growth was slowed as a result of the COVID-19 pandemic, we have successfully opened nine new centers since the end of 2019 through August 31, 2021, seven of which opened after the onset of the pandemic. We have also continued our real estate development efforts after initially suspending them during the pandemic, and had nine centers under construction as of August 31, 2021. We plan to open six new centers in 2021, with a pipeline to open 20 or more new centers in 2022 and 2023.

Revenue and Net Income (Loss). As a result of the COVID-19 pandemic, our total revenue fell from $1,900 million for 2019 to $948 million for 2020. This revenue loss resulted in a reduction of net income from approximately $30 million in 2019 to a net loss of approximately $360 million in 2020.

Memberships. We define memberships for our centers as Center memberships that provide general access (with some amenities excluded) to one or more centers and Digital On-hold memberships that provide certain member benefits but not access to our centers. Both Center memberships and Digital On-hold memberships include Life Time Digital. Center memberships grew from approximately 814,000 at the end of 2018 to approximately 854,000 at the end of 2019. By the end of 2020, as a result of the COVID-19 pandemic, Center memberships had declined to approximately 501,000 as we experienced more conversions of Center memberships to Digital On-hold memberships as well as a higher level of membership terminations. Our attrition rate, which is the number of Center membership terminations plus the net movement to/from Digital On-hold memberships for the trailing period, divided into the average beginning month Center membership balance for the trailing period, was thus higher due to COVID-19. For example, our attrition rate for the first six months of 2020 was approximately 29.1% compared to 16.1% during the first six months of 2019. However, we have recently seen significant improvement in our Center membership numbers and had approximately 658,000 Center memberships as of June 30, 2021, including a lower attrition rate of 5.6% during the first six months of 2021 due in large part to the conversion of Digital On-hold memberships back to Center memberships. With respect to the net increase of approximately 157,000 Center memberships during the first six months of 2021, the percentage of that net increase attributable to members converting from Digital On-hold was approximately 61%, or 96,000 memberships. These Center memberships accounted for approximately 68% of our revenue as of June 30, 2021, underscoring the consistency of our recurring revenue model. During the COVID-19 pandemic, we continued to engage with our members via our enhanced digital offering. For example, we offered members the ability to download and stream workouts and classes. As a result, we generated over 2.4 million digital workouts and class downloads during 2020 and 0.9 million during the six months ended June 30, 2021. We believe this engagement resulted in more of our members converting their Center memberships to Digital On-hold memberships rather than cancelling their memberships.





Our "Healthy Way of Life" Industry Opportunity

Health, fitness and wellness are core to our mission. As a leading lifestyle brand offering premium health, fitness and wellness experiences, we believe that Life Time is well-positioned in the market today to address the full spectrum of consumers' "Healthy Way of Life" needs.

We believe that our health, fitness and wellness opportunity is large and that our growth will accelerate as we emerge from the COVID-19 pandemic for the following reasons:

- **Large and growing industry opportunity**: According to the Global Wellness Institute, the Global Wellness Economy represented a $4.5 trillion global market opportunity in 2018. A sustained increase in the

prioritization of health, fitness and wellness among consumers drove growth in the Global Wellness Economy nearly twice as fast as global GDP growth from 2015 to 2017, according to the Global Wellness Institute. We estimate that the U.S. wellness economy represents an approximately $900 billion market opportunity.

(1) Includes wellness tourism, traditional & complementary medicine, personal care, beauty, anti-aging and mental wellness.
(2) Source: Global Wellness Institute - 2018 Global Wellness Economy Monitor.
(3) Source: Management estimate.

- **Increased obesity prevalence**: According to the Centers for Disease Control and Prevention, U.S. obesity prevalence grew from 30.5% to 42.4% from 2000 to 2018. In February 2021, 42% of U.S. adults reported experiencing unwanted weight gain during the pandemic, with an average gain among that group of 29 pounds, according to a Harris Poll conducted for the American Psychological Association. We believe consumers will place a higher prioritization on their health and that this will present a meaningful tailwind for Life Time.
- **Demand from displaced gym members**: According to the International Health, Racquet, and Sportsclub ("IHRSA"), approximately 22% of total health clubs and fitness studios closed permanently during 2020. We believe these closures create an opportunity for us to attract new members whose gym may have permanently closed.

Our holistic "Healthy Way of Life" vision and ecosystem allow us to comprehensively meet the needs of our members – both in and outside of our resort-like athletic destinations. Our members also enjoy a supportive community where strong bonds are formed through shared experiences and goals. As the Life Time brand expands, we believe our ability to penetrate new and existing sections of the health, fitness and wellness market will also increase.

Our Competitive Strengths

We believe that the following strengths power our brand and business model:

Authentic, Premium "Healthy Way of Life" Brand

We have built Life Time into a premier health, fitness and wellness lifestyle brand, earning the trust of our members for nearly 30 years to make their lives healthier and happier. We believe that consumers equate our brand with the uncompromising quality, luxury and "Healthy Way of Life" experiences that Life Time offers. We have built this credibility and robust brand equity through our continuous focus on high quality member experiences delivered through what we believe to be the best programs with the best performers in the best places. We believe our brand loyalty will allow us to continue to grow our core business as well as expand our omni-channel platform in digital, work, living and other health, fitness and wellness experiences.

Differentiated and Uncompromising Omni-Channel Experiences

Our omni-channel platform offers members an exceptional breadth of physical and digital experiences that meet or exceed our members' expectations:

- **Full Suite of Comprehensive Offerings**: Life Time offers an expansive array of amenities, services and activities, thereby enabling members to enjoy a "Healthy Way of Life" across a diverse and varied set of offerings. Whether taking advantage of our state-of-the-art fitness equipment, partaking in summer camp for kids, competing in one of our sports leagues or relaxing in one of our award-winning spas, Life Time members enjoy a full end-to-end experience that can be utilized by the entire family and enable them to grow and develop, regardless of where they are in their health and wellness journey.
- **World-Class Talent**: We recruit, hire and certify those whom we believe are the best certified fitness professionals and performers in the industry to empower, educate and entertain our members. In addition, to enhance our member experiences and drive consistency in our hospitality and services, we have a strong focus on team member culture, training and certification. Life Time University, our in-house, proprietary education and certification division, offers curricula curated by over 20 dedicated professionals providing team members with online and in-person training and certification.
- **Passionate Culture**: Our focus on engagement among team members and performers attracts and fosters our multi-generational member base. We deeply value diversity, equity and inclusion at Life Time and strive to create a welcoming and inclusive culture. In addition, we foster community engagement through a wide range of events and activities, from parent-child dances to pool parties to charity runs. Since the start of 2019, we have organized more than 5,300 events and served as a social and community hub for our members.

- **Digital Offerings**: Life Time Digital enables our members to experience some of our best offerings at their fingertips at any time and wherever they are located in the United States or Canada. During the six months ended June 30, 2021, our members live streamed an average of 540 classes per week.

Loyal and Engaged Multi-Generational Membership Base with Attractive Demographics

Life Time's breadth of premium services and offerings attracts anyone who wants to lead a healthier, happier life. The power of our lifestyle brand, attractive member demographics, breadth of amenities and services and high utilization of our centers allow us to build deeply meaningful connections with our members, which are difficult for others in our industry to replicate fully. From young children attending our swim lessons and Kids Academy classes, or teenagers engaged in our sports and agility training, to members of all ages participating in our iconic athletic events and variety of in-center activities, we have something for every generation. As of June 30, 2021, 70% of our members owned a home and had a median household income of $112,000 and approximately 60% of our members are part of a couples or family membership, and these members typically engage more fully within our centers. On average, our members spent $2,172 and $1,317 at our centers during 2019 and 2020, respectively, and visited our centers an average of 108 and 69 times during the same periods, respectively. We have seen an improvement in these metrics during the six months ended June 30, 2021, with our members spending an average of $984 at our centers and visiting our centers an average of 57 times during that period.

Higher engagement and connectivity with our members drive attractive long-term value per member and higher member retention rates. Over 25% of our new Center memberships each year are driven by individuals and families re-joining the Life Time community following a period of non-membership, highlighting that a meaningful portion of canceled memberships derive from external life changes (such as relocation) rather than a negative club experience.

Flexible Real Estate Strategy with Nationwide Footprint

We have a diversified portfolio of over 150 resort-like athletic destinations that are primarily located in affluent markets across 29 states and one Canadian province. Over the last five years, we have become more asset-light through sale-leaseback transactions and have adopted more strategic and flexible center formats that can be modified to accommodate various settings, including traditional suburban, vertical residential, urban and mall/retail locations. Our focus on a flexible real estate strategy since 2015 has enabled us to develop a business model that targets a new center return on invested capital of mid-to-upper thirties percent, more than double historical trends, grow the number of centers at a faster pace and enter attractive urban coastal markets with premium centers where the price of real estate had historically been a deterrent to entry. We also benefit from our in-house architecture, design and construction expertise that allows us to create sustainable and energy efficient centers. These efforts have helped us control the cost and pace of capital expenditures and have also ensured a consistent feel across our centers.

We have developed a disciplined and sophisticated process to evaluate markets and specific sites in those markets where we may want to build new centers. This dynamic process is based upon demographic, psychographic and competitive criteria generated from profiles of our most successful centers, and we continue to refine these criteria based upon the performance of our centers. We believe that the presence of a Life Time center benefits landlords and the value of the underlying property and surrounding neighborhoods. We seek to leverage this halo effect of our brand, as well as long-term relationships with landlords, to achieve favorable lease agreements and increased tenant improvement allowances from landlords to support our capital light expansion.

Recurring Revenue Model with Consistent Growth

Membership dues from our network of members create a recurring and relatively predictable revenue stream that has proven to be resilient for nearly 30 years and across economic cycles. Membership dues provide our largest source of revenue, representing 63%, 69% and 68% of our total revenue in 2019, 2020 and the six months ended June 30, 2021, respectively.

We have grown from $137 million, $4 million and $36 million in revenue, net income and Adjusted EBITDA, respectively, in 2001 to $1.9 billion, $30 million and $438 million in revenue, net income and Adjusted EBITDA, respectively, in 2019. During that time period, we did not have a year-over-year decline in revenue or Adjusted EBITDA. While revenue, net income and Adjusted EBITDA did decline to $948 million, $(360) million and $(63) million, respectively, during the COVID-19 pandemic in 2020, we have already begun to see a recovery during 2021 as we re-opened our centers and we emerge from the pandemic. During the six months ended June 30, 2021, we generated $572 million, $(229) million and $(15) million in revenue, net (loss) and Adjusted EBITDA, respectively.

Passionate, Visionary, Founder-Led Management Team with Deep Industry Experience

Our unwavering commitment to excellence and a "Healthy Way of Life" culture is driven by our passionate management team, under the leadership of Bahram Akradi, our founder, Chairman and Chief Executive Officer. Life Time was founded by Mr. Akradi in 1992 with a goal of helping people achieve their health, fitness and wellness goals by delivering entertaining, educational and innovative experiences with uncompromising quality and unparalleled service. From the very beginning, Mr. Akradi has led the Company with a focus on serving members' needs first and a belief that business results would naturally follow.

By building a strong and highly experienced executive leadership team, Life Time has continued to grow and consistently deliver exceptional experiences. Our executive leadership includes:

- **Tom Bergmann, President & Chief Financial Officer**. Mr. Bergmann has been with Life Time for more than five years and has more than 30 years of leadership experience across various industries, including as Chief Financial Officer at three companies including USF Corporation (prior to being acquired by Yellow Corporation), Amsted Industries and Harley Davidson.
- **Jeff Zwiefel, President & Chief Operating Officer**. Mr. Zwiefel has been with Life Time for over 20 years and has more than 35 years of experience in the health, fitness and wellness industry.
- **Eric Buss, Executive Vice President & Chief Administrative Officer**. Mr. Buss has been with Life Time for over 20 years and has served as a key executive leader in a variety of roles.
- **Parham Javaheri, Executive Vice President & Chief Property Development Officer**. Mr. Javaheri joined Life Time in 2004 and has over 20 years of experience in real estate development.
- **RJ Singh, Executive Vice President & Chief Digital Officer**. Mr. Singh joined Life Time in 2017 and oversees all digital and technology infrastructure, operations and initiatives.

Our team has an entrepreneurial spirit that we believe makes us highly adaptable, reflects an ownership mentality and allows us to navigate shifts in the health, fitness and wellness landscape, including as a result of the COVID-19 pandemic. We believe the strength of our team, culture and organizational approach position us to continue to grow and deliver strong financial results.

Our Growth Strategies

We have built a strong foundation with an engaged membership base in pursuit of a healthy way of living. Leveraging our omni-channel platform, we intend to grow by increasing our membership base through our proven business model, increasing revenue per center membership, growing our number of centers and expanding our ecosystem.

Continue to Grow Our Membership Base

We believe we will expand our membership base as consumer activity accelerates post-pandemic and by continuing to increase our brand awareness, acquire new consumers and retain our current members longer. We expect to grow our consumer reach through the following initiatives:

- **Data-driven, targeted marketing campaigns focused on experiences**. Employ targeted marketing campaigns driven by data analytics to increase brand awareness and membership growth, as well as engage in consumer-focused marketing related to improving their health post-pandemic. According to a survey conducted by Momentum Worldwide, 76% of consumers would rather spend their money on experiences than on material items.
- **Attract and retain members**. Continue to expand our offerings to attract and retain members of all ages, from extended childcare hours for kids, to new studio classes, to pickleball for the aging population. We believe extending our existing membership offerings with complementary or fee-based services and benefits will continue to drive broader appeal, higher memberships and longer member retention.
- **Market share gains**. Capture orphaned members from fitness centers that shutdown during the pandemic. According to IHRSA, approximately 22% of health clubs and fitness studios closed permanently during the pandemic. We believe we are well-positioned to capture a portion of these consumers within our markets.

We believe that employing these strategies will enable us to continue to grow our membership base over the long-term.

Increase Revenue per Center Membership

We expect to increase revenue from our members by executing on the following initiatives:

- **Expand in-center offerings that generate incremental revenue**. We nearly doubled our averagein-center revenue per membership from 2007 to 2019. Although we saw a decline in average center revenue per membership during 2020, we have begun seeing a recovery during the six months ended June 30, 2021. We intend to continue to expand our health, fitness and wellness offerings to cater to all types of interests and levels, and to drive increased spend by members within our centers.
- **Enhance membership pricing**. We expect to increase spend from consumers by developing new premium centers in more affluent markets that drive higher membership dues, enhancing experiences at our existing centers to create more value and pricing opportunities and, over time, transitioning existing memberships to higher membership prices or tiers as we continue to add more value to their membership.
- **Drive further digital penetration**. We plan to continue growing our digital usage across our members anddirect-to-consumer non-center members. We plan to drive these engagement levels higher as we scale and better interconnect our digital platform and full-service centers. In addition to increasing engagement and retention with our center members, we believe our digital offering enables us to attract and retain new members, generate incremental revenues, deliver high-quality fitness content and maintain strong levels of member engagement, even when a member is unable to visit one of our centers.

Grow Our Number of Premium Athletic Centers

We believe we have significant whitespace opportunity for our premium athletic centers across the United States and Canada, as well as internationally. Our new center expansion is focused on strategic locations that we expect will generate higher average dues, higher in-center revenue per membership and higher revenue per square foot. Our asset-light model and flexible center formats allow us to further expand our potential market and strategically target premium locations with wealthier demographic profiles.

Between 2016 and 2019, we opened eight new centers per year on average. After opening three new centers in 2020, we expect to return to growth, and have plans to open six new centers in 2021 with a pipeline to open 20 or more new centers in 2022 and 2023. Our new centers historically have ramped to maturity over three to four years with a high level of consistency. As our annual number of new centers increases, we believe this ramping club dynamic will provide further support and predictability to our overall revenue and earnings growth.

We believe our flexible, vertically integrated real estate capabilities and brand strength provide meaningful runway for Life Time's expansion.

We also intend to complement our organic growth through acquisitions. We have acquired, and expect to continue to acquire, athletic centers as well as services and experiences. Our acquisitions can be single assets or portfolios of assets. We take a disciplined approach to sourcing, acquiring and integrating high quality assets and/or locations and complementary businesses that can help us continue to expand into new geographic areas, acquire key talent, and offer new services and experiences. Our post-acquisition integration process often involves significant investments in both the acquired physical assets and human capital to improve each acquired site and to rebrand the look and feel of the center to create the Life Time brand experience for our members.

Expand the Life Time Ecosystem

We believe the importance of health, fitness and wellness coupled with the structural shift of consumer preferences towards experiential and proactive health and wellness spending creates new opportunities for us to leverage our "Healthy Way of Life" lifestyle brand. As our business model evolves and our membership base grows, we expect to leverage our brand reputation and use our deep understanding of membership needs to add a growing portfolio of products and services to our omni-channel platform. We also believe that we can leverage our brand reputation and deep understanding to expand our operations internationally. While our operations are predominantly in the United States today, we continuously analyze our growth strategy and believe we have opportunities to expand our digital and physical ecosystem and healthy way of life internationally.

We want Life Time to be our consumers' "second home." For example, in 2018, we launched Life Time Work, a brand extension capitalizing on the broader shift to co-working spaces. We have seven Life Time Work locations open and operating, with plans to open one more new location during 2021 and more in the following years. Life Time Work locations average 26,000 square feet and come with a variety of perks and amenities, including complimentary access to our centers in the United States and Canada, secure storage, printing stations, coffee bars and healthy snacks.

We also see significant opportunity to further embed the Life Time brand and healthy way of living through the development ofhigh-end, wellness-oriented residences. To this end, we opened our first Life Time Living location in 2021 and plan to open additional locations during the next few years. While we are in the early stages of capitalizing on this opportunity, we believe integrating how and where consumers live, work, move and play is a promising opportunity that Life Time is uniquely positioned to capture.

Summary Risk Factors

We are subject to a number of risks, including risks that may prevent us from achieving our business objectives or that may adversely affect our business, financial condition, results of operations, cash flows and prospects. You should carefully consider the risks discussed in the section entitled "Risk Factors," including the following risks, before investing in our common stock:

Risks Relating to Our Business Operations and Competitive Environment

- the impact of the COVID-19 pandemic;

- our ability to attract and retain members;
- competition in the health, fitness and wellness industry;
- our inability to anticipate and satisfy consumer preferences and shifting views of health, fitness and wellness;
- events such as severe weather conditions, natural disasters, global pandemics or other health crises, hostilities and social unrest, among others;
- disruptions in the operations of our centers in geographic areas where we have significant operations;
- our dependence on a limited number of suppliers for equipment and certain products and services;

Risks Relating to Our Brand

- a deterioration in the quality or reputation of our brand or the health club industry;
- risks relating to our use of social media and email and text message marketing;
- our inability to protect and enforce our intellectual property rights or defend against intellectual property infringement suits against us by third parties;

Risks Relating to the Growth of Our Business

- our inability to identify and acquire suitable sites for centers;
- increased investments in future centers in wealthier demographic areas and the risk that the level of return will not meet our expectations;
- delays in new center openings;
- our growth and changes in the industry;
- costs we may incur in the development and implementation of new businesses with no guarantee of success;
- risks relating to acquisitions, including our inability to acquire suitable businesses or, if we do acquire them, risks relating to asset impairment or the integration of the business into our own;

Risks Relating to Our Technological Operations

- our ability to adapt to significant and rapid technological change;
- our inability to properly maintain the integrity and security of our data or the data of our members, to comply with applicable privacy laws, or to strategically implement, upgrade or consolidate existing information systems;
- disruptions and failures involving our information systems;
- risks related to automated clearing house (“ACH”), credit card, debit card and digital payments we accept;

Risks Relating to Our Capital Structure

- our ability to generate cash flow to service our substantial debt obligations;

- our ability to operate our business under the restrictions in our Credit Facilities and Indentures that limit our current and future operating flexibility;
- our ability to incur additional debt;

Risks Relating to Our Human Capital

- our inability to retain our key employees and hire additional highly qualified employees;
- labor shortages;
- attempts by labor organizations to organize groups of our employees or changes in labor laws;

Risks Relating to Legal Compliance and Risk Management

- our ability to comply with extensive governmental laws and regulations, and changes in these laws and regulations;
- claims related to our health, fitness and wellness-related offerings;
- our inability to maintain the required level of insurance coverage on acceptable terms or at an acceptable cost;
- claims related to construction or operation of our centers and in the use of our premises, facilities, equipment, services, activities or products;

Risks Relating to Our Financial Performance

- potential negative impacts resulting from the opening of new centers, including in our existing markets;
- rising costs related to construction of new centers and maintenance of our existing centers and our inability to pass these cost increases through to our members;
- risks associated with leases on certain of our centers;
- seasonal and quarterly variations in our revenues and net income;
- delayed payments or failure to pay by our members and difficulties negotiating and collecting amounts due from members;

Risks Relating to this Offering and Ownership of Our Common Stock

- a liquid trading market for our common stock may not develop;
- significant changes to our share price following this offering;
- potential conflicts of interest between the private equity investment funds that control us and our public stockholders;
- other risks relating to this offering and ownership of our common stock;
- other factors beyond our control; and
- other factors set forth under “Risk Factors” in this prospectus.

Our Principal Stockholders

Following the consummation of this offering, the Voting Group will hold approximately % of the voting power of our common stock. The Voting Group includes investment funds affiliated with LGP and TPG

which, after the consummation of this offering, will hold approximately % and %, respectively, of the voting power of our outstanding common stock. Accordingly, the Voting Group, and in particular, LGP and TPG, will control us and will have, among other things, the ability to approve or disapprove substantially all transactions and other matters requiring approval by stockholders, including the election of directors. You should consider that the interests of members of the Voting Group may differ from your interests in material respects and they may vote in a way with which you disagree and that may be adverse to your interests. See "Risk Factors—Risks Relating to this Offering and Ownership of Our Common Stock" for more information.

LGP. LGP is a leading private equity investment firm founded in 1989 and based in Los Angeles with over $50 billion of assets under management. The firm partners with experienced management teams and often with founders to invest in market-leading companies. Since inception, LGP has invested in over 100 companies in the form of traditional buyouts, going-private transactions, recapitalizations, growth equity, and selective public equity and debt positions. The firm primarily focuses on companies providing services, including consumer, business and healthcare services, as well as retail, distribution and industrials.

TPG. TPG is a leading global alternative asset firm founded in 1992 with more than $96 billion of assets under management as of March 31, 2021 and offices in Beijing, Fort Worth, Hong Kong, London, Luxembourg, Melbourne, Mumbai, New York, San Francisco, Seoul, Singapore, and Washington, DC. TPG's investment platforms are across a wide range of asset classes, including private equity, growth equity, impact investing, real estate, and public equity. TPG aims to build dynamic products and options for its investors while also instituting discipline and operational excellence across the investment strategy and performance of its portfolio.

Our Corporate Information

Life Time Group Holdings, Inc. is the issuer in this offering and changed its name from LTF Holdings, Inc. on June 21, 2021. We operate primarily through our wholly owned subsidiaries, including Life Time, Inc.

Our principal executive office is located at 2902 Corporate Place, Chanhassen, Minnesota 55317 and our telephone number at that address is 952-947-0000. We maintain a website on the Internet at www.lifetime.life. We have included our website address in this prospectus as an inactive textual reference only. The information contained on, or that can be accessed through, our website is not a part of, and should not be considered as being incorporated by reference into, this prospectus.

The Offering	
Common stock offered by us	shares.
Common stock to be outstanding after this offering	shares.
Option to purchase additional shares	The underwriters have been granted an option to purchase up to an aggregate of additional shares of common stock from us. The underwriters can exercise this option at any time within 30 days from the date of this prospectus.
Use of proceeds	We estimate that the net proceeds to us from this offering, after deducting underwriting discounts and estimated offering expenses, will be approximately $, based on the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus. We intend to use the net proceeds from this offering (i) to repay $ million in aggregate principal amount of borrowings under our Term Loan Facility, including the 1% prepayment penalty, (ii) to pay offering fees and expenses and (iii) for working capital and general corporate purposes. See "Use of Proceeds." A $1.00 increase (decrease) in the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) the net proceeds to us from this offering by $ million, assuming the number of shares of common stock offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the assumed underwriting discounts and commissions and estimated offering expenses payable by us. An increase (decrease) of shares of common stock from the expected number of shares of common stock to be sold by us in this offering, assuming no change in the assumed initial public offering price per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) our net proceeds from this offering by $ million. Such increase (decrease) in net proceeds will increase (decrease) the amount of borrowings under our Term Loan Facility we intend to repay and/or the amount used for working capital and the remainder available for general corporate purposes.
Proposed stock exchange symbol	"LTH"
Controlled company	Following this offering, we will be a "controlled company" within the meaning of the corporate governance rules of the NYSE. After the consummation of this offering, the Voting Group will control us and will have, among other things, the ability to approve or disapprove substantially all transactions and other matters requiring approval by stockholders, including the election of directors.

Dividend policy	We currently do not intend to declare any dividends on our shares of common stock in the foreseeable future. Our ability to pay dividends on our shares may be limited by the covenants contained in the agreements governing the Credit Facilities and the Notes and applicable law. See "Dividend Policy."
Directed share program	At our request, the underwriters have reserved for sale, at the initial public offering price, up to % of the shares of common stock offered by this prospectus for sale to certain of our directors, officers, employees, business associates and related persons. If purchased by our directors and officers, such shares of common stock will be subject to a 180-day lock-up restriction. The sales will be made through a Directed Share Program. If these persons purchase common stock, it will reduce the number of shares of common stock available for sale to the general public. Any reserved shares of common stock that are not so purchased will be offered by the underwriters to the general public on the same terms as the other shares of common stock offered by this prospectus.
Risk factors	Investing in our common stock involves a high degree of risk. See "Risk Factors" beginning on page 25 of this prospectus for a discussion of factors you should carefully consider before investing in our common stock.
Conflicts of Interest	An affiliate of TPG Capital BD, LLC, an underwriter in this offering, will own in excess of 10% of our issued and outstanding shares of common stock following this offering. As a result of the foregoing relationship, TPG Capital BD, LLC is deemed to have a "conflict of interest" within the meaning of Rule 5121 ("Rule 5121") of the Financial Industry Regulatory Authority, Inc. ("FINRA"). Accordingly, this offering will be made in compliance with the applicable provisions of Rule 5121. Pursuant to Rule 5121, the appointment of a "qualified independent underwriter" is not necessary in connection with this offering. In accordance with paragraph (c) of Rule 5121, no sales of the shares of our common stock will be made to any discretionary account over which TPG Capital BD, LLC exercises discretion without the prior specific written approval of the account holder. See "Underwriting (Conflicts of Interest)."

The number of shares of common stock to be outstanding after this offering excludes:

- shares of common stock issuable upon the exercise of options outstanding under our 2015 Plan (as defined below) as of , 2021 with a weighted average exercise price of $ per share;
- shares of common stock issuable upon the vesting of restricted stock units outstanding under our 2015 Plan as of , 2021;
- additional shares of common stock that will become available for future issuance under our 2021 Incentive Award Plan (the "2021 Plan"), which will become effective in connection with the completion of this offering, as well as any shares that will become issuable pursuant to provisions in the 2021 Plan that automatically increase the share reserve under the 2021 Plan;

- additional shares of common stock that will become available for future issuance under our 2021 Employee Stock Purchase Plan (the "ESPP"), which will become effective in connection with the completion of this offering, as well as any shares that will become issuable pursuant to provisions in the ESPP that automatically increase the share reserve under the ESPP; and
- up to additional shares of common stock issuable in connection with the grant of restricted stock units payable under our 2021 incentive bonus program (the "2021 Bonus Program"), which will be considered outstanding once granted pursuant to the 2021 Bonus Program.

Unless otherwise indicated, all information contained in this prospectus:

- assumes an initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus;
- assumes no exercise by the underwriters of their option to purchase up to additional shares from us;
- assumes the conversion of shares of our restricted Series A Preferred Stock into shares of common stock in connection with the completion of this offering (based on an assumed initial public offering price of $ (the midpoint of the price range set forth on the cover page of this prospectus) and an initial public offering pricing date of , 2021);
- assumes the conversion of shares of our Series A Preferred Stock into approximately shares of common stock (based on an assumed initial public offering price of $ (the midpoint of the price range set forth on the cover page of this prospectus) and an initial public offering pricing date of , 2021); and
- gives effect to our amended and restated certificate of incorporation and our amended and restated bylaws.

Summary Historical Consolidated Financial Information

The following table shows (i) summary historical audited consolidated financial statements for the fiscal years ended December 31, 2018, 2019 and 2020 and (ii) summary historical consolidated financial information derived from our unaudited interim condensed consolidated financial statements for the six months ended June 30, 2020 and June 30, 2021.

The summary historical consolidated statement of operations and cash flow data presented below for the years ended December 31, 2018, 2019 and 2020 and the balance sheet data as of December 31, 2019 and 2020 have been derived from, and should be read together with, our audited consolidated historical financial statements and the accompanying notes included elsewhere in this prospectus as well as the section under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this prospectus. The summary consolidated historical balance sheet data as of December 31, 2018 has been derived from our consolidated historical financial statements which are not included in this prospectus. The summary historical consolidated balance sheet data as of June 30, 2021 and the summary historical consolidated statement of operations and cash flow data for the six months ended June 30, 2020 and June 30, 2021 have been derived from, and should be read together with, our unaudited interim condensed consolidated financial statements and the accompanying notes included elsewhere in this prospectus, as well as the section under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this prospectus. The summary historical balance sheet data as of June 30, 2020 has been derived from our unaudited interim condensed consolidated financial statements which are not included in this prospectus. The unaudited interim condensed consolidated financial statements have been prepared on the same

basis as the audited consolidated financial statements and, in the opinion of our management, include all adjustments, consisting only of normal and recurring adjustments, necessary for a fair presentation of the information set forth herein. Interim financial results are not necessarily indicative of results that may be expected for the full fiscal year or any future reporting period.

This information is a summary only and should be read in conjunction with "Risk Factors," "Capitalization," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the accompanying notes included elsewhere in this prospectus.

Our historical results are not necessarily indicative of results to be expected in future periods.

($ in thousands, except per share data)	Year Ended December 31, 2018	2019	2020	Six Months Ended June 30, 2020	2021
Statement of Operations Data:					
Revenue:					
Center revenue	$1,701,600	$1,851,345	$ 929,966	$ 476,570	$ 561,690
Other revenue	47,693	49,026	18,413	12,310	10,795
Total revenue	1,749,293	1,900,371	948,379	488,880	572,485
Operating expenses:					
Center operations	950,585	1,041,133	660,046	349,778	393,326
Rent	124,895	165,695	186,257	90,931	102,039
General, administrative and marketing	196,693	227,684	149,898	87,461	81,592
Depreciation and amortization	211,451	220,468	247,693	127,124	119,028
Other operating	69,195	76,842	63,634	22,260	15,864
Total operating expenses	1,552,819	1,732,092	1,307,528	677,554	711,849
Income (loss) from operations	196,474	168,279	(359,149)	(188,674)	(139,364)
Other income (expense):					
Interest expense, net of interest income	(136,176)	(128,955)	(128,394)	(64,757)	(136,295)
Equity in earnings of affiliate (1)	814	805	(187)	(243)	(384)
Total other expense	(135,362)	(128,150)	(128,581)	(65,000)	(136,679)
Income (loss) before income taxes	61,112	40,129	(487,730)	(253,674)	(276,043)
Provision for (benefit from) income taxes	20,170	10,080	(127,538)	(71,017)	(46,886)
Net income (loss)	40,942	30,049	(360,192)	(182,657)	(229,157)
Non-controlling interest	54	24	—	—	—
Net income (loss) attributable to Life Time Group Holdings, Inc.	$ 40,888	$ 30,025	$ (360,192)	$(182,657)	$(229,157)
Per share data:					
Basic and diluted net income (loss) per share attributable to stockholders	$ 0.30	$ 0.22	$ (2.48)	$ (1.26)	$ (1.65)
Basic and diluted weighted-average shares outstanding (2)	137,250	139,405	145,137	145,078	145,196

($ in thousands)	Year Ended December 31, 2018	2019	2020	Six Months Ended June 30, 2020	2021
Other financial data (unaudited):					
Net income	$ 40,888	$ 30,025	$ (360,192)	$(182,657)	$(229,157)
Net income margin (3)	2.3%	1.6%	(38.0)%	(37.4)%	(40.0)%
Adjusted EBITDA (4)	$ 421,069	$ 437,933	$ (62,996)	$ (32,497)	$ (14,754)
Adjusted EBITDA margin (4)	24.1%	23.0%	(6.6)%	(6.6)%	(2.6)%
Center operations	$ 950,585	$1,041,133	$ 660.046	$ 349,778	$ 393,326
Pre-opening expenses (5)	17,509	14,282	7,463	4,487	4,671
Rent	124,895	165,695	186,257	90,931	102,039
Non-cash rent expense (6)	12,980	22,521	37,104	26,307	6,219
Net cash provided by (used in) operating activities	336,193	358,718	(95,981)	(44,376)	(13,039)
Free cash flow before growth capital expenditures (7)	188,440	177,479	(197,441)	(113,699)	(60,825)

($ in thousands)	Year Ended December 31, 2018	2019	2020	Six Months Ended June 30, 2020	2021
Cash flow data:					
Net cash provided by (used in) operating activities	$ 336,193	$ 358,718	$(95,981)	$ (44,376)	$ (13,039)
Net cash (used in) provided by investing activities	(613,843)	(477,814)	(6,115)	(19,539)	(89,718)
Net cash provided by financing activities	269,689	133,316	87,395	106,192	173,712
Effect of exchange rate on cash and cash equivalents	(217)	208	(55)	(258)	50
Increase (decrease) in cash and cash equivalents	$ (8,178)	$ 14,428	$(14,756)	$ 42,019	$ 71,005

($ in thousands)	As of December 31, 2018	2019	2020	As of June 30, 2020	2021
Balance sheet data:					
Cash and cash equivalents	$ 33,523	$ 47,951	$ 33,195	$ 89,970	$ 104,200
Working capital [8]	(143,002)	(180,806)	(277,433)	(277,202)	(227,238)
Total assets	4,659,852	6,176,147	6,017,558	6,184,432	6,119,663
Total debt	2,196,886	2,259,960	2,272,596	2,281,868	2,369,211
Total debt, net of current portion	2,161,595	2,223,735	2,133,330	2,143,237	2,337,630
Total stockholders' equity [9]	1,599,324	1,750,183	1,481,413	1,651,678	1,249,669

(1) In 1999, we formed Bloomingdale LIFE TIME Fitness, L.L.C. ("Bloomingdale LLC") with two unrelated organizations for the purpose of constructing, owning and operating a center in Bloomingdale, Illinois. Each member owns a one-third interest in Bloomingdale LLC. The center commenced operations in February 2001. The terms of the relationship among the members are governed by an operating agreement. Bloomingdale LLC is accounted for using the equity method. In December 2019, we formed both Dallas-Montfort Holdings, LLC ("D-M Holdings") and a Delaware limited liability company named Dallas-Montfort Property, LLC, which is a wholly owned subsidiary of D-M Holdings. Also in December 2019, we and an unrelated organization each became a holder of 50% of the membership interests in D-M Holdings in exchange for a cash capital contribution by each of us of approximately $16.2 million. These capital contributions were made in connection with the acquisition of a property in Texas. Other than incurring an immaterial amount of expenditures and an additional investment by us in D-M Holdings of $0.2 million, there was no activity associated with D-M Holdings during the year ended December 31, 2020 or during the six months ended June 30, 2021.

(2) Excludes the conversion of 5,429,570 outstanding shares of our Series A Preferred Stock and 500,000 outstanding shares of our restricted Series A Preferred Stock, which are mandatorily convertible upon an initial public offering into common stock.

(3) Net income margin is calculated as net income divided by total revenue.

(4) We present Adjusted EBITDA as a supplemental measure of our performance. We define Adjusted EBITDA as net income (loss) before interest expense, net, provision for (benefit from) income taxes and depreciation and amortization, excluding the impact of share-based compensation expense, gain (loss) on sale-leaseback transactions, capital transaction costs, legal settlements, asset impairment and other items that are not indicative of our ongoing operations, including incremental costs related to COVID-19. This calculation of Adjusted EBITDA does not include adjustments for pre-opening expenses or non-cash rent. Adjusted EBITDA margin is calculated as Adjusted EBITDA divided by total revenue.

Adjusted EBITDA should be considered in addition to, and not as a substitute for or superior to, financial measures calculated in accordance with GAAP. These are not measurements of our financial performance under GAAP and should not be considered as alternatives to net income (loss) or any other performance measures derived in accordance with GAAP or as an alternative to net cash provided by operating activities as a measure of our liquidity and may not be comparable to other similarly titled measures of other businesses. Adjusted EBITDA has limitations as an analytical tool, and you should not consider this measure in isolation or as a substitute for analysis of our operating results or cash flows as reported under GAAP. For additional information regarding Adjusted EBITDA, our use and presentation of this measure and the related risks, see "Non-GAAP Financial Measures."

The following table provides a reconciliation of net income (loss), the most directly comparable GAAP measure, to Adjusted EBITDA:

	Year Ended December 31,			Six Months Ended June 30,	
($ in thousands)	**2018**	**2019**	**2020**	**2020**	**2021**
Net income (loss)	$ 40,942	$ 30,049	$(360,192)	$(182,657)	$(229,157)
Interest expense, net [a]	136,176	128,955	128,394	64,757	136,295
Provision for (benefit from) income taxes	20,170	10,080	(127,538)	(71,017)	(46,886)
Depreciation and amortization	211,451	220,468	247,693	127,124	119,028
Share-based compensation expense [b]	100	24,152	—	—	2,881
COVID-19-related expenses [c]	—	—	49,183	32,283	(188)
(Gain) loss on sale-leaseback transactions [d]	198	(157)	(7,235)	(3,078)	831
Capital transaction costs [e]	394	6,297	96	58	—
Legal settlements [f]	1,390	8,359	345	33	—
Asset impairments [g]	10,173	10,127	7,475	—	—
Other [h]	75	(397)	(1,187)	—	2,442
Adjusted EBITDA	$421,069	$437,933	$ (62,966)	$ (32,497)	$ (14,754)

(a) For the six months ended June 30, 2021, we incurred anon-cash expense of $41.0 million related to the extinguishment of our related party secured loan. In June 2020, we closed on an approximate $101.5 million secured loan from an investor group comprised solely of our stockholders or their affiliates. The secured loan carried an interest rate of 12.0% and was scheduled to mature in June 2021. In January 2021, we extinguished the secured loan plus accrued interest with a book value of $108.6 million by converting the loan into 5,429,570 shares of our of Series A Preferred Stock, which had a fair value of $149.6 million, as determined by an independent third party valuation, at the time of conversion. Accordingly, we booked a $41.0 million loss upon conversion.

(b) For the year ended December 31, 2019, includes $23.0 million of expense related to a voluntary stock option purchase offer whereby eligible holders of qualifying stock options were granted the right to sell a certain number of vested options back to us in 2019.

(c) Represents the incremental expenses we incurred related to theCOVID-19 pandemic. We adjust for these costs as they do not represent costs associated with our normal ongoing operations. We believe that adjusting for these costs provides a more accurate and consistent representation of our actual operating performance from period to period. For the year ended December 31, 2020, COVID-19 related expenses consisted of $27.0 million for project cost write-offs for sites no longer deemed viable as a result of COVID-19, $12.0 million for the employee portion of health care coverage which is normally paid by employees but was paid by us during this period on behalf of our employees and $10.2 million of emergency leave and non-working payroll while our centers were closed, which includes subsequent recovery of certain expenses under the CARES Act, severance and charitable contributions made to support our employees that were directly impacted by COVID-19. For the six

months ended June 30, 2020, COVID-19 related expenses consisted of $5.1 million for project cost write-offs for sites no longer deemed viable as a result of the economic downturn caused by COVID-19, $6.5 million for the employee portion of health care coverage which is normally paid by employees but was paid by us during this period on behalf of our employees, and $20.7 million of emergency leave and non-working payroll, which includes subsequent recovery of certain expenses under the CARES Act, severance and charitable contributions made to support our employees who were directly impacted by COVID-19. For the six months ended June 30, 2021, COVID-19 related expenses consisted of $(0.6) million recovery of certain expenses recovered under the CARES Act and $0.4 million of COVID-19 legal-related costs.

(d) We adjust for the impact of gains or losses on the sale-leaseback of our properties as they do not reflect costs associated with our ongoing operations.

(e) Represents one-time costs related to capital transactions, including debt and equity offerings that are non-recurring in nature. For the year ended December 31, 2019, includes $5.2 million of costs related to the sale of newly issued common stock to a minority interest group.

(f) We adjust for the impact of large class action and unusual legal settlements paid or recoveries received. These are non-recurring in nature and do not reflect costs associated with our normal ongoing operations.

(g) Represents non-cash asset impairments. For the year ended December 31, 2018, asset impairments totaled $10.2 million, which consisted primarily of exit costs associated with the closure of our Total Health corporate business. During the year ended December 31, 2019, we incurred $10.1 million of asset impairments, which consisted of $5.9 million related to our controlling interest in our Massage Retreat and Spa business and $4.2 million of impairment charges related to our race registration and timing business. During the year ended December 31, 2020, we incurred $7.5 million of asset impairments, which consisted of $5.2 million of leasehold impairments related to four of our leased centers and $2.3 million of impairment charges related to our race registration and timing business.

(h) Includes costs associated with large corporate restructuring charges, executive level involuntary terminations and other transactions which are unusual and non-recurring in nature. For the six months ended June 30, 2021, other expenses consisted of $1.6 million of incremental expenses related to a winter storm resulting in historical freezing temperatures affecting our Texas region, and $0.8 million of executive level severance.

(5) Represents non-capital expenditures associated with opening new centers which are incurred prior to the commencement of a new center opening. The number of centers under construction or development, the types of centers and our costs associated with any particular center opening can vary significantly from period to period.

(6) Reflects the non-cash portion of our annual GAAP operating lease expense that is greater or less than the cash operating lease payments.

(7) Free cash flow before growth capital expenditures, a non-GAAP financial measure, is calculated as net cash provided by (used in) operating activities less center maintenance capital expenditures and corporate capital expenditures. Set forth below is a reconciliation from net cash provided by (used in) operating activities to free cash flow before growth capital expenditures:

	Year Ended December 31,			Six Months Ended June 30,	
($ in thousands)	**2018**	**2019**	**2020**	**2020**	**2021**
Net cash provided by (used in) operating activities	$ 336,193	$ 358,718	$ (95,981)	$ (44,376)	$(13,039)
Center maintenance capital expenditures	(109,141)	(107,612)	(32,111)	(24,252)	(24,967)
Corporate capital expenditures	(38,612)	(73,627)	(69,349)	(45,071)	(22,819)
Free cash flow before growth capital expenditures	$ 188,440	$ 177,479	$(197,441)	$(113,699)	$(60,825)

(8) Working capital is calculated as total current assets minus total current liabilities.

(9) Excludes $151.3 million associated with 5,429,570 shares of Series A Preferred Stock and 500,000 shares of restricted Series A Preferred Stock issued and outstanding at June 30, 2021 classified as Mezzanine equity on our consolidated balance sheets. The Series A Preferred Stock is to be automatically converted into our common stock upon the consummation of this offering, along with certain other corporate transactions or the election of at least 75% of the then-outstanding shares of Series A Preferred Stock.

RISK FACTORS

You should carefully consider the risks described below, together with all of the other information included in this prospectus, before making an investment decision. Our business, financial condition and results of operations could be materially and adversely affected by any of these risks or uncertainties. In that case, the trading price of our common stock could decline, and you may lose all or part of your investment.

Risks Relating to Our Business Operations and Competitive Environment

COVID-19 has had and may continue to have a significant negative effect on our business, results of operations and financial condition.

On March 11, 2020, the World Health Organization declared the outbreak of SARS-CoV-2, a novel coronavirus that causes coronavirus disease 2019 ("COVID-19"), a pandemic, recommending containment and mitigation measures worldwide. On March 13, 2020, the United States declared a National Public Health Emergency with respect to COVID-19. On March 16, 2020, we closed all of our centers based on orders and advisories from federal, state and local governmental authorities regarding COVID-19. We re-opened our first center on May 8, 2020 and continued tore-open our centers as state and local governmental authorities permitted. As of August 31, 2021, we had re-opened all of our 155 centers (some of which have been re-opened after being closed a second time by government authorities). Whether we will need to close any of our centers again and the duration of any such center closures that may occur, remains uncertain and is dependent on future developments that cannot be accurately predicted at this time. We did not collect any monthly Center membership dues or recurring product charges at our closed centers, and we did not begin collecting dues and recurring product charges from any member until the member's applicable center re-opened, in each case with limited exceptions where our members opted to continue to receive certain limited services. As a result, our center closures have had and may continue to have a significant effect on our revenue.

We expect our centers and in-center businesses will continue to be impacted differently based upon considerations such as their geographic location, vaccination rates, impacts of variants, applicable government restrictions and guidance, and employee and member sentiment with respect to working in and/or using our centers. We continue to face more burdensome operating protocols in many of our center locations and have faced member and employee attrition in response to COVID-19. These events have impacted and may continue to negatively impact our business, results of operations and financial condition. In addition, positive COVID-19 cases traced to any one of our centers or any negative publicity relating to health-related matters may affect members' perceptions of our centers, reduce member and prospective member visits to our centers and negatively impact demand for our center offerings.

Since we did not collect any monthly Center membership dues or recurring product charges at our closed centers, we have experienced a significant loss of both Center revenue and in-center revenue, and the percentage of our in-center revenue to total revenue also decreased. In addition to the significant reduction in revenue from our closed centers, we have experienced a reduction in membership levels and activity. As of June 30, 2021, total memberships were 759,720, a decrease of 20.0% compared to 950,183 at March 31, 2020, shortly following the onset of the COVID-19 pandemic. Center memberships were 657,737, a decrease of 22.4% compared to 847,161 at March 31, 2020. Digital On-hold memberships were 101,983, a decrease of 1.0% compared to 103,022 at March 31, 2020. If our memberships and in-center member activity do not return to levels that existed prior to COVID-19, including if our members who have placed their Center membership on hold do not return to Center membership at rates we have historically experienced, our results of operations will continue to be negatively impacted.

COVID-19 has also forced us to reduce our operating costs and preserve liquidity. Due to our significant fixed costs, we were not able to reduce our expenses commensurate with our reduced revenues. While we took swift and wide-ranging cash management actions to reduce our operating costs, defer rental payments and preserve liquidity, we have experienced significant negative effects on our results of operations and financial

condition. COVID-19 has also impacted our ability to grow our business. We initially suspended virtually all construction capital spending, including a suspension or material reduction in activities at approximately 20 significant construction projects in 10 states, thereby delaying projected completion dates. We also permanently discontinued the development of a number of real estate projects in process. As of August 31, 2021, we had nine centers under construction in six states, most of which are associated with substantial tenant allowances and/or contractual commitments. We cannot be certain that we will not need to suspend the level of construction activities associated with the suspended projects or any new projects.

The COVID-19 pandemic has caused significant economic shifts across the United States which may reduce or change consumer demand in our industry. We have experienced a material loss of members and revenue as a result of the necessary suspension of our operations mandated by governmental authorities to address the threat of the spread of COVID-19. We may continue to experience losses in members and/or revenue, including a higher loss of existing members, a lower conversion of Digital On-hold memberships to Center memberships than we have historically experienced and/or fewer new members joining our centers. We cannot predict the degree, or the time period, over which our business will be affected by COVID-19 and such impact is dependent on future developments that cannot be accurately predicted at this time. In light of this uncertainty, the extent of the impact of COVID-19 on our financial position, results of operations, liquidity and cash flows is uncertain at this time.

We may be unable to attract and retain members, which could have a negative effect on our business, results of operations and financial condition.

The success of our business depends on our ability to attract and retain members, and we cannot assure you that we will be successful in our marketing efforts or that the membership levels at our centers will not decline, especially at those centers in operation for an extended period of time. All of our members are able to cancel their membership at any time upon providing advance notice. In addition, we experience attrition and must continually engage existing members and attract new members in order to maintain our membership levels and sales from in-center services. There are numerous factors that could lead to a decline in membership levels or sales of in-center services in mature centers or that could prevent us from increasing membership and in-center service revenue at newer centers where membership is generally not yet at a targeted capacity. These factors include changing desires and behaviors of consumers, changing consumer confidence, changes in discretionary spending trends and general economic conditions, market maturity or saturation, a decline in our ability to deliver quality service at a competitive price, direct and indirect competition in our trade areas, advances in medical care that lead to less interest in health and fitness activities and a decline in the public's interest in health and fitness as well as social fears such as terror or health threats which could reduce the desire to be in a concentrated public venue.

As detailed in the risk factor immediately above, we experienced a significant reduction in membership levels, sales of in-center services and center activity as a result of COVID-19. The full extent and duration of the impact of COVID-19 over the longer term on our membership levels, sales and center activity remains uncertain and is dependent on future developments that cannot be accurately predicted at this time. Additionally, our business could be particularly sensitive to reductions in discretionary consumer spending and in a depressed economic and consumer environment, consumers and businesses may postpone spending in response to tighter credit, negative financial news and/or declines in income or asset values, which could have a material negative effect on the demand for our services and products. In addition, we anticipate that most of our future centers will target higher income members than we have historically targeted. We may not be successful in optimizing price and mix or in adding new memberships in these new centers, and our growth in membership dues in these future centers may suffer as a result. Any decrease in our average dues, reduction in enrollment fees or higher membership acquisition costs may adversely impact our operating margins.

Our business could be adversely affected by strong competition in the highly competitive health, fitness and wellness industry.

We compete with the following industry participants: other health and fitness centers and operators; physical fitness and recreational facilities established by non-profit organizations, governments, hospitals and businesses; local salons, cafés and businesses offering similar ancillary services; small fitness clubs and studios and other boutique fitness offerings; racquet, tennis and other athletic centers; rental unit and condominium amenity centers; country clubs; digital fitness and health services including online personal training and fitness coaching; the home-use fitness equipment industry; athletic event operators and related suppliers; and providers of wellness and other health and wellness orientated products and services. We cannot assure you that our competitors will not attempt to copy our business model, or portions thereof, and that this will not erode our market share and brand recognition and impair our business and results of operations. Competitors, which may have greater name recognition and/or resources than we have, may compete with us to attract members in our markets. Non-profit and government organizations in our markets may be able to obtain land and construct centers at a lower cost and collect membership fees without paying taxes, thereby allowing them to charge lower prices. Additionally, consolidation in the health, fitness and wellness industry could result in increased competition among participants. Furthermore, due to the increased number of low cost health center and fitness center alternatives, we may face increased competition during periods if we increase our price, discretionary spending declines or unemployment increases. This competition may limit our ability to attract and retain members, each of which could materially and adversely affect our results of operations and financial condition.

If we are unable to anticipate and satisfy consumer preferences and shifting views of health, fitness and wellness, our business may be adversely impacted.

Our success depends on our ability to anticipate and satisfy consumer preferences relating to health, fitness and wellness. Our business and all of our services are subject to changing consumer preferences that cannot be predicted with certainty. Developments or shifts in research or public opinion on the types of health, fitness and wellness services we provide could negatively impact our business, or consumers' preferences for health, fitness and wellness services could shift rapidly to different types of health and fitness centers, and we may be unable to anticipate and respond to shifts in consumer preferences. It is also possible that competitors could introduce new products and services that negatively impact consumer preference for our business model, or that consumers could prefer health, fitness and wellness opportunities that do not align with our business model. Failure to predict and respond to changes in public opinion, public research and consumer preferences could adversely impact our business.

Events such as severe weather conditions, natural disasters, global pandemics or other health crises, hostilities, gun violence and social unrest, among others, can adversely affect our results and prospects.

Severe weather conditions, natural disasters, hostilities and social unrest, any shifting climate patterns or terrorist activities (or expectations about them) can adversely affect consumer spending and confidence levels and supply availability and costs, as well as the local operations in impacted markets, all of which could have an adverse effect on our results of operations and financial condition. We may also be forced to temporarily close centers due to any number of unforeseen circumstances, including as a result of global pandemics or other health crises, fire, flood, technical difficulties, loss of power, health and safety incident, social unrest, terrorist incident, natural disaster or an active shooting or other violence with a weapon. Any prolonged closures may adversely affect our results of operations and financial condition and may also result in longer term reductions in revenue as a result of termination of memberships by members of the affected centers. Our receipt of proceeds under any insurance we maintain with respect to some of these risks may be delayed or the proceeds may be insufficient to cover our losses fully. We have significant operations concentrated in certain geographic areas, and any disruption in the operations of our centers in any of these areas could harm our results of operations.

We operate multiple centers concentrated in various geographical locations across the country, with planned expansion in current and new markets. As a result, any prolonged disruption in the operations of our centers in

any of these markets, whether due to technical difficulties, power failures, pandemics or epidemics, or destruction or damage to the centers as a result of a natural disaster, fire or any other reason, could harm our results of operations, as we have experienced and expect to continue to experience due to COVID-19. In addition, our concentration in these markets increases our exposure to adverse developments related to competition, as well as economic and demographic changes in these areas.

Our dependence on a limited number of suppliers for equipment and certain products and services could result in disruptions to our business and could adversely affect our revenues and gross profit.

Equipment and certain products and services used in our centers and businesses, including our exercise equipment and certain of our software and hardware, are sourced from third-party suppliers. Although we believe that adequate substitutes are currently available, we depend on these third-party suppliers in order for us to operate our business efficiently and consistently meet our business requirements. The ability of these third-party suppliers to successfully provide reliable and high-quality services is subject to technical and operational uncertainties that are beyond our control. Any disruption to our suppliers' operations could impact our supply chain and our ability to service our centers. If we lose such suppliers or our suppliers encounter financial hardships unrelated to the demand for our equipment or other products or services, we may not be able to identify or enter into agreements with alternative suppliers on a timely basis on acceptable terms, if at all. Transitioning to new suppliers could be time-consuming and expensive and may result in interruptions in our operations. If we should encounter delays or difficulties in securing the quantity of equipment or services we require, our suppliers encounter difficulties meeting our demands, our websites or applications experience delays or become impaired due to errors in the third-party technology or there is a deficiency, lack or poor quality of products or services provided, or there is damage to the value of one or more of our vendors' brands, our ability to serve our members and elevate our brand could be interrupted and/or negatively impacted. If any of these events occurs, it could have a material adverse effect on our business, results of operations and financial condition.

Risks Relating to Our Brand

Our business depends on the quality and reputation of our brand, and any deterioration in the quality or reputation of our brand or the health, fitness and wellness industry could materially adversely affect our market share, business, results of operations and financial condition.

Our brand and our reputation are among our most important assets. Our ability to attract and retain members and expand our businesses depends, in part, upon the external perceptions of Life Time, the quality of our centers and services and our corporate and management integrity. Any adverse incidents, including any involving the potential safety of our members, guests or employees, physical or sexual abuse or other harm to a child at any of our children play areas or events or negative publicity regarding us, our competitors or our industry, may damage our brand and our reputation, cause a loss of consumer confidence in Life Time and the industry and could have an adverse effect on our results of operations and financial condition.

Use of social media, email and text message marketing may adversely impact our reputation or subject us to fines or other penalties.

There has been a substantial increase in the use of social media platforms and email and text message marketing, including social media websites, blogs and other forms of internet-based communication, which allow individuals to access a broad audience of consumers and other interested persons. Negative commentary about us may be posted on social media platforms or similar devices at any time and may harm our brand, reputation or business. Consumers value readily available information about health, fitness and wellness and often act on such information without further investigation and without regard to its accuracy. The harm may be immediate without affording us an opportunity for redress or correction. In addition, social media platforms provide users with access to such a broad audience that collective action against our centers, such as boycotts, can be more easily organized. If such actions were organized, we could suffer reputational damage as well as physical damage to our centers.

We also use email, text messaging, phone and social medial platforms as marketing tools. For example, we maintain Facebook, Instagram and Twitter accounts and communicate regularly with our members via email. As laws and regulations rapidly evolve to govern the use of these platforms and devices, the failure by us, our employees or third parties acting at our direction to abide by applicable laws and regulations in the use of these platforms and devices could adversely impact our business, results of operations and financial condition or subject us to fines or other penalties.

Our intellectual property rights may be inadequate to protect our business or may be infringed, misappropriated or challenged by others.

We attempt to protect our intellectual property rights through a combination of patent, trademark, copyright and trade secret laws, as well as licensing agreements and third-party nondisclosure and assignment agreements. Our failure to obtain or maintain adequate protection of our intellectual property rights for any reason, whether in the United States or internationally, could have a material adverse effect on our business, results of operations and financial condition.

We rely on our trademarks, trade names and brand names to distinguish our products and services from the products and services of our competitors, and have registered or applied to register many of these trademarks. We cannot assure you that our trademark applications will be approved in the United States or internationally. Third parties may also oppose our trademark applications, or otherwise challenge our use of the trademarks. In the event that our trademarks are successfully challenged, we could be forced to rebrand our products or services, which could result in loss of brand recognition, and could require us to devote resources advertising and marketing new brands and replacing products. In particular, although we own a U.S. federal trademark registration for use of the LIFE TIME® mark in the field of health and fitness centers, we are aware of entities in certain locations around the country that use LIFE TIME FITNESS, LIFE TIME or other similar marks in connection with goods and services related to health, fitness and wellness, including dietary food supplements. The rights of these entities in such marks may predate our rights. Accordingly, if we open any centers or otherwise operate in the areas in which these parties operate, we may be required to pay royalties or other fees or may be prevented from using the mark in such areas. Furthermore, if any third party were to successfully seek cancellation of our federal trademark registrations, we may be prevented from using such marks throughout the United States.

Further, we cannot assure you that competitors or other businesses will not infringe on our trademarks or other intellectual property rights. In the event of any such infringement, the value of our brand may be harmed and we may be required to incur substantial costs and divert resources to pursue any claim against the third-party infringer. We cannot assure you, however, that we will have adequate resources to enforce our trademarks or other intellectual property rights. If we were to fail to successfully protect our intellectual property rights for any reason, it could have an adverse effect on our business, results of operations and financial condition. Additionally, any damage to our brand or reputation could cause membership levels to decline and make it more difficult to attract new members.

If it becomes necessary to protect or defend our intellectual property rights or if we infringe on the intellectual property rights of others, we may become involved in costly litigation or be required to pay royalties or fees.

We may have disputes with third parties to enforce our intellectual property rights, protect our trademarks, determine the validity and scope of the proprietary rights of others or defend ourselves from claims of infringement, invalidity, misappropriation or unenforceability. We may incur substantial costs and a diversion of resources as a result of such disputes, even if we win. In the event that we do not win, we may have to pay significant fees (and fines and penalties) and enter into royalty or licensing agreements, we may be prevented from using the intellectual property within certain markets in connection with goods and services that are material to our business or we may be unable to prevent a third party from using our intellectual property. We cannot assure you that we would be able to reach an agreement on reasonable terms, if at all.

Risks Relating to the Growth of Our Business

If we are unable to identify and acquire or lease suitable sites for centers, our revenue growth rate and profits may be negatively impacted.

To successfully expand our business, we must identify and acquire or lease sites that meet the site selection criteria we have established. In addition to finding sites with the right demographic and other measures we employ in our selection process, we also need to evaluate the penetration of our competitors in the market. We may face significant competition for sites that meet our criteria, and as a result we may lose those sites, our competitors could copy our format or we could be forced to pay significantly higher prices for those sites. In addition, we needed to temporarily prioritize and reduce the number of sites for future growth due to the impact of COVID-19 on our results of operations and financial position. If we are unable to identify and acquire sites for new centers, our revenue growth rate and profits may be negatively impacted. Additionally, if our analysis of the suitability of a site is incorrect, we may not be able to recover our capital investment in developing and building the new center.

As we increase our numbers of centers, our current focus is on wealthier demographic locations, which typically require higher costs of land, increased construction costs, higher lease payments and more luxurious amenities and features within the new centers. The higher gross invested capital at these centers will require higher operating profits per center to produce the level of return that we are able to achieve at other centers. Failure to provide this level of return could adversely affect our financial results.

Delays in new center openings could have an adverse effect on our growth.

In order to meet our objectives, it is important that we open new centers on schedule. A significant amount of time and expenditure of capital is required to develop and construct new centers. If we are forced to halt development or construction or if we are significantly delayed in opening new centers, we could face increased costs and our competitors may be able to open new centers in the same market before we open our centers or improve centers currently open. This change in the competitive landscape could negatively impact our pre-opening sales of memberships and increase our investment costs. In addition, delays in opening new centers could hurt our ability to meet our growth objectives as we have experienced with our need to materially reduce activities at 20 significant construction projects in 10 states in early 2020 due to COVID-19. Our ability to open new centers on schedule or at all depends on a number of factors, many of which are beyond our control. These factors include:

- obtaining acceptable financing including executing sale-leaseback transactions to fund construction of new sites;
- obtaining entitlements, permits and licenses necessary to complete construction of the new center on schedule and to operate the center;
- securing access to labor and materials necessary to develop and construct our centers;
- delays due to material shortages, labor issues, weather conditions or other acts of God, pandemics or epidemics, discovery of contaminants, accidents, deaths or injunctions;
- recruiting, training and retaining qualified employees; and
- general economic conditions.

Our growth and changes in the industry could place strains on our management, employees, information systems and internal controls which may adversely impact our business.

Over the past several years, we have experienced growth in our business activities and operations, including an increase in the number of our centers, development of new businesses and memberships and acquisitions of other businesses. Our past expansion has placed, and our plans for future expansion may place, significant demands on our administrative, operational, financial, technological and other resources. Any failure to manage growth

effectively could seriously harm our business. To be successful, we will need to continue to implement management information systems and improve our operating, administrative, financial and accounting systems and controls. We will also need to train new employees and maintain close coordination among our executive, accounting, finance, legal, human resources, risk management, marketing, sales and operations functions. These processes are time-consuming and expensive, increase management responsibilities and divert management attention.

In addition, changes in the industry affecting fitness memberships and payment for memberships may place significant demands on our administrative, operational, financial and other resources or require us to obtain different or additional resources. Any failure to manage such changes effectively could adversely affect our business. To be successful, we will need to continue to implement management information systems and improve our operating, administrative, financial and accounting systems and controls in order to adapt quickly to such changes.

We may incur significant costs in the development and implementation of new businesses with no guarantee of success.

In order to deliver member experiences, remain competitive, respond to consumer demands and expand our business, we have developed, and expect to continue to develop, in-center, digital and ancillary businesses as well as co-working and living spaces. We may incur significant costs in the development of these businesses, some of which may be outside of our core competency. In addition, we cannot guarantee that these businesses will be successful and contribute to earnings, and in fact any of these businesses may lose money.

The growth and success of our omni-channel ecosystem may depend on numerous factors, including how much capital we commit to building our digital infrastructure and our ability to:

- deliver member experiences that are consistent with our brand and in-center experiences;
- develop, implement, upgrade and/or license leading technologies, systems and use rights;
- secure and maintain the rights to use music in our content, which depends on the method we provide our content and may involve many third parties and navigating complex and evolving legal issues; and
- expand our business and potentially offer our digital membership in international markets, which would expose us to regulatory, economic and political risks in addition to those we already face in the United States and Canada.

Because our historical focus has been more on our in-center experiences, we cannot provide any assurances on the future prospects of our omni-channel ecosystem. Failure to execute on the factors above or to manage our future growth effectively could have an adverse effect on our business, financial condition and operating results.

We may be unable to successfully acquire suitable businesses or, if we do acquire them, the acquisition may disrupt our business, we may be unable to successfully integrate the business into our own or the acquired assets may be subject to impairment, any of which may have an adverse effect on our performance.

In order to remain competitive and to expand our business, we have acquired, and expect to continue to acquire, complementary businesses and centers. In the future, for any number of reasons including market conditions, we may not be able to find suitable acquisition candidates. If we do find suitable candidates, we may not be in a financial position to pursue the acquisitions or we may not be able to conduct effective due diligence or acquire the businesses on favorable terms or at all. We may also have to incur debt or issue equity securities to pay for any acquisition, which could adversely affect our financial condition or dilute our stockholders.

If we do acquire other businesses, integrating the business into our own may place significant demands on our administrative, operational, financial and other resources and may require significant management time, which may disrupt our other businesses. Our ability to acquire and integrate larger or more significant companies is unproven. In addition, we cannot provide any assurances that we will be able to successfully integrate any acquired, or to be acquired, business into our own business or achieve any goals relating to any such acquisition.

Additionally, as we have acquired other businesses, we have recorded assets, liabilities and intangible assets at fair value at the time of acquisition. If the fair value of the long-lived assets or intangible assets were determined to be lower than the carrying value, the assets would be subject to impairment, which could adversely affect our financial results.

Risks Relating to Our Technological Operations

We rely on technology and may need to adapt to significant and rapid technological change in order to compete successfully.

Technology is a key component of our business model and we regard it as crucial to our success moving forward. Our member interface has become increasingly reliant on technology, including for our new digital membership and through the use of online group exercise reservations, virtual training and group lessons, live streaming, our mobile application and our payment systems. While we seek to offer our members best-in-class technology solutions to ensure a smooth customer experience, we operate in an environment that has undergone, and continues to experience, significant and rapid technological change. To remain competitive, we must continue to maintain, enhance and improve the functionality, capacity, accessibility, reliability and features of our automated member interfaces and other technology offerings.

In the future, our success will depend, in part, on our ability to develop and license leading technologies and use rights; enhance existing platforms and services and create new platforms and services; and respond to member demands, technological advances and emerging industry standards and practices on a cost-effective and timely basis. The adoption of new technologies or market practices may require us to devote significant additional resources to improve and adapt our services. Keeping pace with these ever-increasing requirements can be expensive, and we may be unable to make these improvements to our technology infrastructure or obtain the necessary use rights in a timely manner or at all. If we are unable to anticipate and respond to the demand for new services, products and technologies on a timely and cost-effective basis, or to adapt to and leverage technological advancements and changing standards as successfully as our competitors, we may be unable to compete effectively, which could materially and adversely affect our business, results of operations and financial condition. Furthermore, we may rely on the ability of our members to have the necessary hardware products (smartphones, tablets, watches, etc.) to support our new product offerings. To the extent our members are not prepared to invest or lack the necessary resources or infrastructure, the success of any new initiatives may be compromised.

If we fail to properly maintain the integrity and security of our data or the data of our members, to comply with applicable privacy laws, or to strategically implement, upgrade or consolidate existing information systems, our reputation and business could be adversely affected.

The integrity and security of our data and the data of our members and employees is critical to us. Despite the security measures we have in place for compliance with applicable laws and rules, our facilities and systems, and those of our third-party service providers, may be vulnerable to security breaches, acts of cyber terrorism, demands for ransom, vandalism or theft, computer viruses, misplaced or lost data, programming and/or human errors or other similar events. Because such attacks are increasing in sophistication and change frequently in nature, we and our third-party service providers may be unable to anticipate these attacks or implement adequate preventative measures, and any compromise of our systems, or those of our third-party vendors, may not be discovered and remediated promptly. Changes in consumer behavior following a security breach or perceived breach, act of cyber terrorism or sabotage, vandalism or theft, computer viruses, loss or corruption of data or programming or human error or other similar event affecting us, a competitor, large retailer or financial institution may materially and adversely affect our business, which in turn may materially and adversely affect our reputation, results of operations and financial condition.

Additionally, the collection, maintenance, use, disclosure and disposal of individually identifiable data by our businesses are regulated at the federal, state and foreign levels as well as by certain financial industry groups, such as

the Payment Card Industry Security Standards Council, NACHA, Canadian Payments Association and individual credit card issuers. Federal, state and foreign regulators and financial industry groups may also consider from time to time new privacy and security requirements that may apply to our businesses. Compliance with evolving privacy and security laws, requirements and regulations may result in cost increases due to necessary systems changes, new limitations or constraints on our business models and the development of new administrative processes. They also may impose further restrictions on our collection, disclosure and use of individually identifiable information that are housed in one or more of our databases. Noncompliance with privacy laws, financial industry group requirements or a security breach involving the misappropriation, loss or other unauthorized disclosure of personal, sensitive and/or confidential information, whether by us or by one of our vendors, could have adverse effects on our business, operations, brand, reputation and financial condition, including decreased revenue; fines and penalties; increased financial processing fees; compensatory, statutory, punitive or other damages; adverse actions against our licenses to do business; and injunctive relief whether by court or consent order.

Disruptions and failures involving our information systems could cause member dissatisfaction and adversely affect our business.

We increasingly use electronic and digital means to interact with our members, provide services and products to our members and collect, maintain and store individually identifiable information, including, but not limited to, personal financial information, credit and debit card numbers, dates of birth and health-related information. In addition to our standard operating and administrative systems, we use an integrated and proprietary member management system to manage the flow of member information within each of our centers and between centers and our corporate office. Our system enables us to, among other things, enroll new members with an electronic membership agreement, streamline the collection of membership dues electronically, capture digital pictures of members for identification purposes and capture and maintain specific member information, including usage. We also have a customer relationship management system to enhance our marketing campaigns and management oversight regarding daily sales and marketing activities. We also have a mobile application that tracks exercise and activity-related data, and which may in the future track other personal information. Some of this data is sensitive and could be an attractive target of a criminal attack by malicious third parties with a wide range of motives and expertise.

Moreover, any failure or unforeseen issues, such as bugs, data inconsistencies, outages, fires, floods, changes in business processes and other interruptions with our systems or the systems of third-party vendors could adversely impact our business and member experiences and cause us to lose members. Disruptions or failures that affect our billing and other administrative functions could also have an adverse effect on our results of operations.

Correcting any disruptions or failures that affect our systems could be difficult, time-consuming and expensive. Additionally, if we need to move to different third-party systems, or otherwise significantly modify our systems, our operations and member experiences could be interrupted and negatively impacted.

We are subject to a number of risks related to ACH, credit card, debit card and digital payments we accept.

We accept payments through ACH, credit card, debit card and digital transactions. For such transactions, we pay interchange and other fees, which may increase over time. An increase in those fees would require us to either increase the prices we charge for our memberships, which could cause us to lose members, or suffer an increase in our operating expenses, either of which could harm our results of operations. In 2020, we began to surcharge our members for credit card transactions, which could cause us to lose members or negatively impact our brand or reputation.

If we or any of our processing vendors have problems with our billing software, or the billing software malfunctions, it could have an adverse effect on our member satisfaction and could cause one or more of the major credit card companies to disallow our continued use of their payment products. In addition, if our billing software fails to work properly and, as a result, we do not automatically charge our members' credit cards, debit cards or bank accounts on a timely basis or at all, we could lose membership revenue, which would harm our results of operations.

If we fail to adequately control fraudulent ACH, credit card, debit card and digital transactions, we may face civil liability, diminished public perception of our security measures and significantly higher ACH, credit card and debit card related costs, each of which could adversely affect our business, results of operations and financial condition. The termination of our ability to process payments through ACH transactions or on any major credit or debit card would significantly impair our ability to operate our business.

Risks Relating to Our Capital Structure

Our substantial indebtedness and other obligations could adversely affect our financial condition and prevent us from fulfilling our obligations under our indebtedness.

We have a significant amount of indebtedness and other obligations. As of June 30, 2021, we had total consolidated indebtedness outstanding of approximately $2,407 million, which includes $475 million of indebtedness under the Unsecured Notes, $925 million of indebtedness under the Secured Notes and $846 million of indebtedness under the Term Loan Facility, obligations under term notes that are secured by certain of our properties, mortgage notes that are secured by certain of our centers and obligations under capital leases and financing leases and unused capacity under the Revolving Credit Facility available to us of approximately $217.1 million, subject to a $100.0 million minimum liquidity requirement. For the six months ended June 30, 2021, our interest expense, net of interest income was $136.3 million. As of June 30, 2021, our annual debt service obligation was approximately $185 million, which includes principal and interest payments under the credit agreement governing our Credit Facilities and the indentures governing our Secured Notes and Unsecured Notes. See “Capitalization” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations —Liquidity and Capital Resources—Debt Capitalization.” We also have significant property lease obligations. Specifically, our high level of indebtedness could have important consequences to you, including:

- making it more difficult for us to satisfy our obligations with respect to our indebtedness, and if we fail to comply with these requirements, an event of default could result;
- limiting our ability to obtain additional financing to fund future working capital, capital expenditures, our growth strategy including the development and construction of new centers, investments or acquisitions or other general corporate requirements or business opportunities;
- requiring a substantial portion of our cash flows to be dedicated to debt service instead of other purposes, thereby reducing the amount of cash flows available for working capital, capital expenditures, our growth strategy, investments or acquisitions and other general corporate purposes or business opportunities;
- increasing our vulnerability to general adverse economic and industry conditions;
- exposing us to the risk of increased interest rates, as borrowings under the Credit Facilities are at variable rates of interest;
- limiting our flexibility in planning for and reacting to changes in the industry in which we compete and to changing business and economic conditions;
- placing us at a disadvantage compared to other, less leveraged competitors and affecting our ability to compete; and
- increasing our cost of borrowing or limiting our ability to refinance indebtedness.

The occurrence of any one of these events could have a material adverse effect on our business, financial condition, results of operations and ability to satisfy our obligations in respect of our outstanding debt.

Furthermore, borrowings under the Credit Facilities are at variable rates of interest and expose us to interest rate risk. If interest rates were to increase, our debt service obligations on the variable rate indebtedness would increase even though the amount borrowed remained the same, and our net income and cash flows, including

cash available for servicing our indebtedness, will correspondingly decrease. Assuming no prepayments of the Term Loan Facility and that the Revolving Credit Facility is fully drawn (and to the extent that LIBOR is in excess of the floor rate applicable to the Term Loan Facility), each one-eighth percentage point change in interest rates would result in an approximately $1.5 million change in annual interest expense on the indebtedness under the Credit Facilities. In the future, we may enter into interest rate swaps that involve the exchange of floating for fixed rate interest payments in order to reduce interest rate volatility or risk. However, we may not maintain interest rate swaps with respect to any of our variable rate indebtedness, and any swaps we enter into may not fully or effectively mitigate our interest rate risk.

In addition, certain of our financial arrangements, including the Credit Facilities, use the London Interbank Offered Rate, or LIBOR (or metrics derived from or related to LIBOR), as a benchmark for establishing the interest rate. In July 2017, the Financial Conduct Authority (the authority that regulates LIBOR) announced its intent to stop compelling banks to submit rates for the calculation of LIBOR after 2021. Regulators across the world have proposed and/or endorsed alternative reference rates to use as the alternative to the applicable Interbank Offered Rate ("IBOR") subject to that regulator's supervision for use in derivatives and other financial contracts indexed to the applicable IBOR. These reforms and other pressures may cause LIBOR to disappear entirely or to perform differently than in the past. Market participants are currently working on industry wide and company-specific transition plans as it relates to derivatives and cash markets exposed to LIBOR. In March 2021, the Financial Conduct Authority announced that all LIBOR settings will either cease to be provided by any administrator or no longer be representative (a) immediately after December 31, 2021, in the case of all sterling, euro, Swiss franc and Japanese yen settings, and the one-week and two-month U.S. dollar setting and (b) immediately after June 30, 2023, in the case of the remaining U.S. dollar settings. The consequences of these developments cannot be entirely predicted and could have an adverse impact on the market value for or value of LIBOR-linked securities, loans and other financial obligations or extensions of credit held by or due to us. Changes in market interest rates may influence our financing costs, returns on financial investments and the valuation of derivative contracts and could reduce our earnings and cash flows.

The terms of the Indentures and the Credit Agreement restrict our current and future operating flexibility, particularly our ability to respond to changes in the economy or our industry or to take certain actions, which could harm our long-term interests and may limit our ability to make payments on our indebtedness.

The Credit Agreement and the Indentures contain a number of covenants imposing significant restrictions on our business. These restrictions may affect our ability to operate our business and may limit our ability to take advantage of potential business opportunities as they arise. The restrictions these covenants place on us include limitations on our ability to:

- incur or guarantee additional indebtedness;
- make certain investments;
- pay dividends or make distributions on our capital stock;
- sell assets, including capital stock of restricted subsidiaries;
- agree to payment restrictions affecting our restricted subsidiaries;
- consolidate, merge, sell or otherwise dispose of all or substantially all of our assets;
- enter into transactions with our affiliates;
- incur liens; and
- designate any of our subsidiaries as unrestricted subsidiaries.

We are also required to comply with a first lien net leverage ratio covenant under the revolving portion of the Credit Facilities. However, the Credit Agreement includes a covenant modification period (the "Covenant

Modification Period") ending on the earlier of (i) January 1, 2022 or (ii) the date we provide notice of our intention to terminate the Covenant Modification Period. During the Covenant Modification Period, we will not be obligated to comply with the first lien net leverage ratio covenant; however, we will be required to maintain a minimum liquidity balance of $100.0 million, which will be tested monthly.

Effective as of the end of the first fiscal quarter following the Covenant Modification Period and continuing throughout the remaining term of the Credit Facilities, we will be required to maintain a first lien net leverage ratio, if 30% or more of the Revolving Credit Facility commitments are outstanding shortly after the end of any fiscal quarter (excluding all cash collateralized undrawn letters of credit and other undrawn letters of credit up to $20.0 million). During the first three quarterly test periods following the Covenant Modification Period, certain financial measures used in the calculation of the first lien net leverage ratio will be calculated on a pro forma basis by annualizing the respective financial measures recognized during those test periods.

A breach of the covenants under the Indentures or the Credit Agreement could result in an event of default under the applicable indebtedness. Such a default may allow the creditors to accelerate the related indebtedness and may result in the acceleration of any other indebtedness that is subject to an applicable cross-acceleration or cross-default provision. In addition, an event of default under the Credit Agreement would permit the lenders under the Credit Facilities to terminate all commitments to extend further credit under the facilities. Furthermore, if we were unable to repay the amounts due and payable under the Credit Facilities or the Secured Notes, those lenders or holders, as applicable, could proceed against the collateral granted to them, including our available cash, to secure that indebtedness, subject to the provisions of the applicable intercreditor agreement. In the event our lenders or holders of the Notes accelerate the repayment of our borrowings, we and our subsidiaries may not have sufficient assets to repay that indebtedness.

As a result of all of these restrictions, we may be:

- limited in how we conduct our business;
- unable to raise additional debt or equity financing to operate during general economic or business downturns; or
- unable to compete effectively or to take advantage of new business opportunities.

These restrictions might hinder our ability to grow in accordance with our strategy. These covenants could materially and adversely affect our ability to finance our future operations or capital needs. Furthermore, they may restrict our ability to expand, pursue our business strategies and otherwise conduct our business. Our ability to comply with these covenants may be affected by circumstances and events beyond our control, such as prevailing economic conditions, pandemics or epidemics and changes in regulations, and we cannot assure you that we will be able to comply with such covenants. These restrictions also limit our ability to obtain future financings to withstand a future downturn in our business or the economy in general. In addition, complying with these covenants may also cause us to take actions that are not favorable to you and may make it more difficult for us to successfully execute our business strategy and compete against companies that are not subject to such restrictions.

We may not be able to generate sufficient cash to service all of our indebtedness, and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.

Our inability to generate sufficient cash flows to satisfy our debt obligations, or to refinance our indebtedness on commercially reasonable terms or at all, would materially and adversely affect our business, financial position and results of operations and our ability to satisfy our debt obligations. Additionally, if we cannot make scheduled payments on our debt we will be in default, and holders of the Notes could declare all outstanding principal and interest to be due and payable, the lenders under the Senior Secured Credit Facilities could terminate their commitments to loan additional money to us, the lenders could foreclose against the assets securing their borrowings and we could be forced into bankruptcy or liquidation. All of these events could result in your losing all or a part of your investment.

Our ability to make scheduled payments on or refinance our indebtedness depends on our financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to certain financial, business, legislative, regulatory and other factors beyond our control, including the COVID-19 pandemic. We may be unable to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal of, premium, if any, and interest on our indebtedness, or to service our other obligations.

We expect that we will need to refinance all or a portion of our indebtedness on or before maturity, including we will need to repay, refinance, replace or otherwise extend the maturity of the Credit Facilities and the Secured Notes before the maturity of the Unsecured Notes. We may not be able to refinance any of our indebtedness at comparable interest rates, on commercially reasonable terms or at all. If such refinancing indebtedness, is not available at interest rates comparable to our existing indebtedness our interest expense could materially increase, which could have a negative impact on our results of operations. If we cannot timely refinance our indebtedness, we may have to take actions such as issuing additional equity and reducing, delaying or foregoing capital expenditures, strategic acquisitions and investments. We cannot assure you that any such actions, if necessary, could be implemented on commercially reasonable terms or at all.

If our cash flows and capital resources are insufficient to meet our operating needs and fund our debt service obligations, we could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures or to dispose of material assets or operations, seek additional debt or equity capital or restructure or refinance our indebtedness. We may not be able to effect any such alternative measures on commercially reasonable terms or at all and, even if successful, those alternative actions may not allow us to meet our operating needs or our scheduled debt service obligations. The Indentures and the Credit Agreement restrict our ability to dispose of assets and use the proceeds from such dispositions and may also restrict our ability to raise debt or equity capital to be used to repay other indebtedness when it becomes due. We may not be able to consummate those dispositions or to obtain proceeds in an amount sufficient to meet any debt service obligations then due. Our inability to generate sufficient cash flows or execute sale-leaseback transactions to satisfy our indebtedness or other obligations or to refinance our indebtedness or other obligations at comparable interest rates on commercially reasonable terms or at all, would materially and adversely affect our results of operations and financial condition and our ability to satisfy our obligations under our indebtedness.

Additionally, the Indentures and the Credit Agreement permit us to pay dividends or make other restricted payments in the future, subject to certain limitations. Any dividends or other restricted payments will reduce our cash available to service our indebtedness and the related risks that we now face would increase. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Debt Capitalization.” If we cannot make scheduled payments on our indebtedness, we will be in default and holders of the Notes could declare all outstanding principal and interest to be due and payable, the lenders under the Credit Facilities could terminate their commitments to loan money to us and declare all outstanding principal and interest to be due and payable, and such lenders and the holders of the Notes could foreclose against the assets securing their borrowings and we could be forced into bankruptcy or liquidation. All of these events could result in your losing all or a part of your investment.

Despite our level of indebtedness, we and our subsidiaries may still incur substantially more debt, including secured debt. This could further exacerbate the risks to our financial condition described above and impair our ability to operate our business.

We and our subsidiaries may incur significant additional indebtedness in the future. Although the Indentures and the Credit Agreement contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of qualifications and exceptions. The additional indebtedness we may incur in compliance with these restrictions could be substantial. These restrictions also will not prevent us from incurring obligations that do not constitute indebtedness. As of June 30, 2021, we had unused capacity under the Revolving Credit Facility available to us of approximately $217.1 million, subject to a $100.0 million minimum liquidity requirement. Additionally, under the Credit Agreement, we will have the option to raise incremental term loans

and raise incremental revolving loans, as applicable, in each case, subject to, and in accordance with, the provisions of the Credit Agreement. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Debt Capitalization." If such incremental indebtedness or other new indebtedness is added to our current indebtedness levels, the related risks that we now face would increase.

Risks Relating to Our Human Capital

If we cannot retain our key employees and hire additional highly qualified employees, we may not be able to successfully manage our businesses and pursue our strategic objectives.

We are highly dependent on the services of our senior management team and other key employees at both our corporate headquarters and our centers, and on our ability to recruit, retain and motivate key employees. Competition for such employees is intense, and the inability to attract and retain the additional qualified employees required to expand our activities, or the loss of current key employees, could adversely affect our operating efficiency and financial results. Additionally, when the vast majority of our current equity awards granted to our key employees vest and become exercisable in connection with this initial public offering, it may be more difficult or costly to retain such employees.

Labor shortages could restrict our ability to operate our centers or implement our business strategies or result in increased labor costs that could reduce our profitability.

Our success depends in large part on our ability to attract, retain, train, manage and engage our employees. If we are unable to attract, retain, train, manage or engage skilled employees, including trained professionals such as personal trainers and studio performers, our ability to manage and staff our centers adequately could be impaired, which could reduce member satisfaction and harm our brand and reputation. Staffing shortages, including key technology resources, could also hinder our ability to implement our business strategy. Because payroll costs are a major component of the operating expenses at our centers, a shortage of skilled labor or changes in the labor market could also require higher wages that would increase our labor costs, which would reduce our profitability. In addition, increases in minimum wage rates could result in increased costs for us, which may adversely affect our results of operations and financial condition.

Attempts by labor organizations to organize groups of our employees or changes in labor laws could disrupt our operations or increase our labor costs.

Although none of our employees are currently covered under collective bargaining agreements, we may become subject to collective bargaining agreements, similar agreements or regulations enforced by governmental entities in the future. Changes in the federal regulatory scheme could make it easier for unions to organize groups of our employees. Unionization could hinder our ability to cross-train and cross-promote our employees due to prescribed work rules and job classifications. Labor regulation could also lead to higher wage and benefit costs, changes in work rules that raise operating expenses and legal costs, and limit our ability to take cost saving measures during economic downturns. If relationships with our employees or other personnel become adverse, our centers could experience labor disruptions such as strikes, lockouts and public demonstrations. These or similar agreements, legislation or changes in regulations could disrupt our operations, reduce our profitability or interfere with the ability of our management to focus on executing our business and operating strategies.

Risks Relating to Legal Compliance and Risk Management

We are subject to extensive governmental laws and regulations, and changes in these laws and regulations could have a negative effect on our results of operations and financial condition.

Our operations are subject to various United States and foreign national, federal, state, provincial and local laws and regulations, including but not limited to the following:

- federal, state and provincial consumer protection laws related to the advertising, marketing and sale of our products and services;
- statutes that regulate the sale and terms of our membership contracts;
- state, provincial and local health or safety regulations related to various center operations, such as Life Time Training, LifeCafe, LifeSpa, Life Time Swim and Life Time Kids;
- federal, provincial and state regulation of ancillary health, fitness and wellness-related products and services;
- licensing or other regulation of our service providers, such as cosmetologists, massage therapists and registered dietitians;
- federal, state, provincial and local environmental laws and regulations;
- federal, state and local laws and regulations on fair housing;
- federal, state, provincial and local accessibility laws;
- federal, provincial and state laws and regulations governing privacy and security of information; and
- federal, provincial and state wage and hour or other employment related laws and regulations.

Any changes in such laws or regulations or any failure by us to comply with such laws or regulations could have an adverse effect on our results of operations and financial condition.

We could be subject to claims related to construction or operation of our facilities and in the use of our premises, facilities, equipment, services, activities or products, which could have a negative effect on our results of operations and financial condition.

Use of our premises, facilities, equipment, services, activities or products pose potential health or safety risks to members and guests. Claims may be asserted against us for loss, injury or death suffered by someone using our premises, facilities, equipment, services, activities or products, including a minor child. We could also face claims in connection with our construction and remodel of our centers and other facilities. While we carry insurance generally applicable to such claims, we face exposure for losses within any self-insured retention or for uninsured damages.

We could also face claims for economic or other damages by members, guests or employees, including consumer protection, wage and hour, health center contract, or other statutory or common law claims arising from our business operations. Such claims may be uninsured. Depending upon the outcome, these matters may have a material adverse effect on our business, results of operations and financial condition.

We could be subject to claims related to our health, fitness and wellness-related offerings or other claims, and the value of our brand may suffer.

We have offered and continue to offer directly or through third parties a variety of health, fitness and wellness-related products and services, such as nutritional products, blood screenings and other fitness assessments, health and fitness content and services through various digital methods, chiropractic services and medi-spa services. These products and services are, or may be subject to, legal and regulatory requirements. We cannot assure you that there will be no claims against us, including regarding the ingredients in, manufacture of or results of using our nutritional

products, or any claims against us regarding our provision of other health, fitness and wellness-related services or our relationships with third parties. Furthermore, we cannot assure you that any rights we have under indemnification provisions and/or insurance policies will be sufficient to cover any losses that might result from such claims. Any publicity surrounding such claims may negatively impact the value of our brand.

We may also be exposed to other litigation from time to time, including class action claims, that may have significant adverse effects upon us. See "Business—Legal Proceedings." In the ordinary course of conducting our business, we are exposed to litigation from time to time that can have significant adverse effects upon our financial position, results of operations and cash flows. At any given time, there may be one or more civil actions initiated against us. If one or more of these pending lawsuits, or any lawsuits in the future, are adjudicated in a manner adverse to our interests, or if a settlement of any lawsuit requires us to pay a significant amount, the result could have an adverse impact on our financial position, results of operations and cash flows. In addition, any litigation, regardless of the outcome, may distract our management from the operation of our business.

We may not be able to maintain the required level of insurance coverage on acceptable terms or at an acceptable cost.

We may not be able to maintain general liability and/or property insurance on acceptable terms in the future or maintain a level of insurance that would provide adequate coverage against potential third party liability, health and safety and other claims. An increase in the number of claims against health and fitness center operators generally or against us in particular may cause the cost of insurance for the industry as a whole or us in particular to rise, and comprehensive insurance coverage may become more difficult to attain. Any increase in the cost of insurance may have a material adverse effect on our business, results of operations and financial condition.

Risks Relating to Our Financial Performance

The opening of new centers may negatively impact our operating margins. In addition, the opening of new centers in existing markets may negatively impact our same-center revenues.

A result of opening new centers is that our center operating margins may be lower than they have been historically while the centers build membership base. We expect both the addition of pre-opening expenses and the lower revenue volumes characteristic of newly opened centers to affect our center operating margins at these new centers. We also expect certain operating costs, particularly those related to occupancy, to be higher than in the past in some newly entered geographic regions. As a result of the impact of these rising costs, our total center contribution and operating margins may be lower in future periods than they have been in the past. We may also encounter difficulties in opening new centers in other markets where our brand may not be as widely recognized. Moreover, our competitors may be able to open new centers in these markets before we open our centers, which could negatively impact our membership levels at the new centers and increase our investment costs.

We currently operate centers in a number of states in the United States and in Canada. Opening new centers in existing markets may attract some memberships away from other centers in those markets, thereby leading to diminished revenue and profitability. In addition, as a result of new center openings in existing markets, and because older centers will represent an increasing proportion of our center base over time, our same-center revenue increases may be lower in future periods than in the past. In general, new center openings negatively impact our results of operations in the short-term due to the effect of lower sales and membership levels during the initial period following opening. As a result, as new centers build their membership bases, we typically experience an initial period of center operating losses and lower margins. In addition, we encounter center opening expenses, which include legal and other costs associated with lease negotiations and permitting and zoning requirements, as well as depreciation, amortization and accretion expenses. We may not correctly analyze the suitability of a location or anticipate all of the challenges imposed by the expansion of our operations and, as a result, may not successfully open new centers or expand profitably. In addition, we may, at our discretion, accelerate or expand our plans to open new centers, which may materially adversely affect our results of operations and financial condition.

We may incur rising costs related to our business, including for construction of new centers, employees and maintenance and operation of our existing centers. If we are not able to pass these cost increases through to our members, our financial results may be adversely affected.

Our centers require significant upfront and ongoing investment. If our investment is higher than we had planned, or if our investment takes longer to execute due to any number of reasons, including our need to significantly reduce our internal construction team as a result of COVID-19, we may need to outperform our operational plan to achieve our targeted return. Over the longer term, we believe that we can offset cost increases by increasing our membership dues and other fees and improving profitability through cost efficiencies, but market and economic pressures and higher costs in regions where we are opening new centers may be difficult to offset in the short term.

We may be materially adversely affected by risks associated with leases on certain of our centers.

We have and will continue to have significant lease obligations. As of June 30, 2021, we have 145 leased properties, including 107 center leases (of which 11 are ground leases) and including centers under construction. Of our 107 center leases, 53 are long-term leases resulting from sale-leaseback transactions. The average remaining term on our center leases is approximately 15.6 years and we typically have certain rights to renew our leases. Assuming the exercise of our renewal options, the average remaining term on our center leases is 36.9 years. We have five center locations that are due to expire before December 31, 2023, one of which does not give us renewal options to extend. For leases with renewal options, several of them provide for our unilateral option to renew for additional rental periods at increased rental rates. Our ability to negotiate favorable terms on an expiring lease or to negotiate favorable terms on leases with renewal options, or conversely for a suitable alternate location, could depend on conditions in the real estate market, competition for desirable sites and our relationships with current and prospective landlords or may depend on other factors that are not within our control. We may not be able to renew our leasehold interests on their expiry or to renew them on terms that are as favorable as the current terms. Additionally, due to the impact of COVID-19 on our operations, from April to July 2020, we negotiated the deferral of $20.3 million of rental payments. As of June 30, 2021, we had repaid approximately $18.4 million, and as of August 31, 2021, we had repaid all remaining rent deferrals. Any or all of these factors and conditions could negatively impact our results of operations. In addition to future minimum lease payments, some of our center leases provide for additional rental payments based on a percentage of net sales, or “percentage rent,” if sales at the respective centers exceed specified levels, as well as the payment of common area maintenance charges, real property insurance and real estate taxes. Many of our leases also have defined escalating rent provisions over the initial term and any extensions.

A number of our leases, including those pursuant to the sale-leaseback transactions, may be terminated in the event of a breach and certain other circumstances. Moreover, we expect to lease, rather than own, the majority of our new centers in the future, and our obligations under the leases will require us to dedicate a portion of our cash flow from operations to making rent payments, thereby reducing our flexibility and the availability of our cash flow to fund working capital, capital expenditures and other general corporate purposes. We depend on cash flow from operations to pay our lease expenses. If our business does not generate sufficient cash flow from operating activities to fund these expenses, we may not be able to service our lease expenses, which could materially harm our business. In addition, since as a lessee we do not completely control the land and improvements underlying our operations, the lessors under our leases could take certain actions to disrupt our rights in the centers we lease. There can be no assurance that we will be able to comply with our obligations under the leases and the termination of the leases on any of our properties could have a material adverse effect on our business, results of operations and financial condition.

In addition, our substantial operating lease obligations could have significant negative consequences, including, among others:

- increasing our vulnerability to general adverse economic, industry and competitive conditions;
- limiting our ability to obtain additional financing;

- requiring a substantial portion of our available cash to pay our rental obligations, thereby reducing cash available for other purposes;
- limiting our flexibility in planning for or reacting to changes in our business or in the industry in which we compete; and
- placing us at a disadvantage with respect to certain of our competitors.

Our results of operations are subject to seasonal and quarterly variations in our revenues and net income.

We have experienced, and expect to continue to experience, seasonal and quarterly variations in our revenues and net income. These variations are primarily related to increased membership during the first quarter, as members tend to exercise more regularly at the beginning of each calendar year as a part of setting goals for the upcoming year. We also experience increased membership in certain centers during the summer pool season. During the summer months, we also experience a slight increase in in-center business activity with summer programming and operating expenses due to our outdoor operations.

Our quarterly results of operations may also fluctuate significantly as a result of a variety of other factors, including the timing of new center openings, changes in pricing and revenues mix, and changes in marketing and other operating expenses. As a result of these seasonal and quarterly fluctuations, we believe that comparisons of our operating results between different quarters within a single year are not necessarily meaningful and that these comparisons cannot be relied upon as indicators of our future performance.

Delayed payment or failure to pay by our members and difficulties negotiating and collecting amounts due from members could have an adverse effect on our business.

Most of our members pay their membership fees on a monthly basis by direct debit or charges to their debit cards or credit cards. There is a risk of such scheduled payments being declined, resulting in such membership fees remaining unpaid. In the ordinary course of our business, we aim to resolve claims for unpaid membership fees through discussion with our members. An increase of declined or delinquent payments and difficulties in recovering unpaid membership fees could have an adverse effect on our business, results of operations and financial condition.

Adverse developments in applicable tax laws could have a material and adverse effect on our business, financial condition and results of operations. Our effective tax rate could also change materially as a result of various evolving factors, including changes in income tax law or changes in the scope of our operations.

We are subject to taxation in the United States at the federal level and by certain states and municipalities and non-U.S. jurisdictions because of the scope of our operations. In determining our income tax liability and tax compliance obligations for these jurisdictions, we must monitor changes to the applicable tax laws and related regulations. While our existing operations have been implemented in a manner we believe is in compliance with current prevailing laws, one or more taxing jurisdictions could seek to impose incremental or new taxes on us. In addition, changes in tax law proposed in connection with the 2022 U.S. federal budget resolution recently passed by Congress could result in additional federal income taxes being imposed on us. The proposals include significant changes to the taxation of business entities including, among others, a permanent increase in the corporate income tax rate, an increase in the tax rate applicable to global low-taxed income and the imposition of minimum taxes or surtaxes on certain types of income. Any adverse developments in these laws or regulations, including legislative changes, judicial holdings or administrative interpretations, could have a material and adverse effect on our business, financial condition and results of operations. Finally, changes in the scope of our operations, including expansion to new geographies, could increase the amount of taxes to which we are subject, and could increase our effective tax rate.

Risks Relating to this Offering and Ownership of Our Common Stock

No market currently exists for our common stock, and an active, liquid trading market for our common stock may not develop, which may cause our common stock to trade at a discount from the initial offering price and make it difficult for you to sell the shares of common stock you purchase.

Prior to this offering, there has not been a public market for our common stock. We cannot predict the extent to which investor interest in us will lead to the development of a trading market on the NYSE or otherwise or how active and liquid that market may become. If an active and liquid trading market does not develop or continue, you may have difficulty selling any of the shares of common stock that you purchase. The initial public offering price for our common stock has been determined by negotiations between us and the underwriters and may not be indicative of prices that will prevail in the open market following this offering. The market price of our common stock may decline below the initial offering price, and you may not be able to sell our common stock at or above the price you paid in this offering, or at all.

Our share price may change significantly following this offering, and you may not be able to resell our common stock at or above the price you paid or at all, and you could lose all or part of your investment as a result.

The trading price of our common stock is likely to be volatile. The stock market has experienced extreme volatility. This volatility often has been unrelated or disproportionate to the operating performance of particular companies. We and the underwriters have negotiated to determine the initial public offering price. You may not be able to resell your common stock at or above the initial public offering price due to a number of factors such as those listed in other portions of this "Risk Factors" section and the following:

- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance and growth, including financial estimates and investment recommendations by securities analysts and investors;
- changes in the perception of our brand or industry;
- declines in the market prices of stocks generally;
- strategic actions by us or our competitors;
- announcements by us or our competitors of significant contracts, new products, acquisitions, joint marketing relationships, joint ventures, other strategic relationships or capital commitments;
- changes in general economic or market conditions or trends in our industry or markets;
- changes in business or regulatory conditions;
- additions or departures of key management personnel;
- future sales of our common stock or other securities by us or our existing stockholders, or the perception of such future sales;
- investor perceptions of the investment opportunity associated with our common stock relative to other investment alternatives;
- the public's response to press releases or other public announcements by us or third parties, including our filings with the SEC;
- announcements relating to litigation;
- guidance, if any, that we provide to the public, any changes in this guidance or our failure to meet this guidance;

- the development and sustainability of an active trading market for our common stock;
- changes in accounting principles; and
- other events or factors, including those resulting from natural disasters, pandemics, epidemics, war, acts of terrorism or responses to these events.

These broad market and industry fluctuations may materially adversely affect the market price of our common stock, regardless of our actual operating performance. In addition, price volatility may be greater if the public float and trading volume of our common stock are low.

In the past, following periods of market volatility, stockholders have instituted securities class action litigation. If we were involved in securities litigation, it could have a substantial cost and divert resources and the attention of executive management from our business regardless of the outcome of such litigation.

We are controlled by the Voting Group, whose interests may not be aligned with yours.

The Voting Group collectively currently owns a majority of our fully diluted equity, and after the consummation of this offering, the Voting Group will hold approximately % of the voting power of our common stock. The Voting Group includes investment funds affiliated with LGP and TPG which, after the consummation of this offering, will hold approximately % and %, respectively, of the voting power of our common stock. Pursuant to the terms of the Stockholders Agreement, certain members of the Voting Group will be entitled to designate individuals to be included in the slate of nominees recommended by our board of directors for election to our board of directors, subject to certain stock ownership thresholds set forth in the Stockholders Agreement, and the members of the Voting Group will agree to vote their shares of our common stock in favor of the election of such nominees. See "Management—Composition of the Board of Directors after this Offering." As a result, the Voting Group will have the ability to elect all of the members of our board of directors, and thereby, to control our management and affairs. See "Certain Relationships and Related Party Transactions—Stockholders Agreement." The directors so elected will have the authority, subject to the terms of our indebtedness and applicable rules and regulations, to issue additional stock, implement stock repurchase programs, declare dividends and make other decisions. We anticipate that the Voting Group will, for the foreseeable future, have this significant influence over our corporate management and affairs, and will be able to control virtually all matters requiring stockholder approval. Even if the Voting Group were to own or control less than a majority of our total outstanding shares of common stock, they will be able to influence the outcome of corporate actions so long as they own a significant portion of our total outstanding shares of common stock.

It is possible that members of the Voting Group may have interests that are different from yours and may vote in a way with which you disagree and that may be adverse to your interests. Further, members of the Voting Group may have differing views from each other, none of which may align with your interests. In addition, the Voting Group's concentration of ownership could have the effect of delaying or preventing a change in control or otherwise discouraging a potential acquirer from attempting to obtain control of us, which could cause the market price of our common stock to decline or prevent our stockholders from realizing a premium over the market price for their common stock.

Additionally, certain of the members of the Voting Group are in the business of making investments in companies, and may from time to time acquire interests in businesses that directly or indirectly compete with certain portions of our business or supply us with goods and services. Such members of the Voting Group may also pursue acquisition opportunities that may be complementary to our business and, as a result, those acquisition opportunities may not be available to us or may be more expensive for us to pursue. Stockholders should consider that the interests of members of the Voting Group may differ from their interests in material respects.

We will be a "controlled company" within the meaning of the NYSE rules and the rules of the SEC. As a result, we will qualify for, and intend to rely on, exemptions from certain corporate governance requirements that provide protection to stockholders of other companies.

After completion of this offering, the Voting Group will continue to own a majority of our common stock. As a result, we will be a "controlled company" within the meaning of the corporate governance standards of the NYSE. Under these rules, a company of which more than 50% of the voting power is held by an individual, group or another company is a "controlled company" and may elect not to comply with certain corporate governance requirements, including:

- the requirement that a majority of our board of directors consist of "independent directors" as defined under the rules of the NYSE;
- the requirement that we have a compensation committee that is composed entirely of directors who meet the NYSE independence standards for compensation committee members with a written charter addressing the committee's purpose and responsibilities;
- the requirement that our director nominations be made, or recommended to our full board of directors, by our independent directors or by a nominations committee that consists entirely of independent directors and that we adopt a written charter or board resolution addressing the nominations process; and
- the requirement for an annual performance evaluation of the nominating and corporate governance and compensation committees.

Following this offering, we intend to rely on certain of the exemptions listed above, and we will not have a nominating and corporate governance committee or compensation committee that consists entirely of independent directors and such committees may not be subject to annual performance evaluations. We may also elect to rely on additional exemptions for so long as we remain a "controlled company." As a result, in the future our board of directors and those committees may have more directors who do not meet the NYSE's independence standards than they would if those standards were to apply. The independence standards are intended to ensure that directors who meet those standards are free of any conflicting interest that could influence their actions as directors. Accordingly, you may not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of the NYSE.

You will incur immediate and substantial dilution in the net tangible book value of the common stock you purchase in this offering.

The initial public offering price of our common stock is higher than the net tangible book value per share of outstanding common stock prior to completion of this offering. Based on our net tangible book deficit as of June 30, 2021 and upon the issuance and sale of shares of common stock by us at an assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, if you purchase our common stock in this offering, you will suffer immediate dilution of approximately $ per share in net tangible book value. Dilution is the amount by which the offering price paid by purchasers of our common stock in this offering will exceed the net tangible book value per share of our common stock upon completion of this offering. If the underwriters exercise their option to purchase additional shares of common stock, you will experience further dilution. Additionally, a total of and shares of common stock have initially been reserved for future issuance under the 2021 Plan and the ESPP, respectively, which amounts may increase on the first day of the fiscal year for up to 10 years by an amount equal to up to 4% or 1%, respectively, of the shares outstanding on the last day of the prior fiscal year or such lesser amount as may be determined by our board of directors. You may experience additional dilution upon future equity issuances, the vesting of restricted stock units or the exercise of stock options to purchase shares of common stock granted to our directors, officers and employees under our current and future stock incentive plans, including the 2021 Plan and the ESPP. See "Dilution."

Future sales, or the perception of future sales, by us or our existing stockholders in the public market following this offering could cause the market price for our common stock to decline.

After this offering, the sale of our common stock in the public market, or the perception that such sales could occur, could harm the prevailing market price of our common stock. These sales, or the possibility that these sales may occur, also might make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate.

Upon consummation of this offering, we will have a total of shares of common stock outstanding. All shares sold in this offering will be freely tradable without restriction or further registration under the Securities Act of 1933, as amended (the "Securities Act"), except for any common stock held by our affiliates, as that term is defined under Rule 144 of the Securities Act ("Rule 144"), including certain of our directors, executive officers and other affiliates (including LGP and TPG), which may be sold only in compliance with the limitations described in "Shares Eligible for Future Sale."

The shares of common stock held by the Voting Group and certain of our directors, officers, employees and other stockholders immediately following the consummation of this offering will represent approximately % of our total outstanding common stock following this offering, based on the number of shares of common stock outstanding as of , 2021. Such shares of common stock will be "restricted securities" within the meaning of Rule 144 and subject to certain restrictions on resale following the consummation of this offering. Restricted securities may be sold in the public market only if they are registered under the Securities Act or are sold pursuant to an exemption from registration such as Rule 144, as described in "Shares Eligible for Future Sale."

In connection with this offering, we expect that we, our directors and executive officers and holders of substantially all of our common stock prior to this offering will agree with the underwriters, subject to certain exceptions, not to dispose of or hedge any of our or their common stock or securities convertible into or exchangeable for common stock during the period from the date of this prospectus continuing through the date that is 180 days after the date of this prospectus, except with the prior written consent of Goldman Sachs & Co. LLC and Morgan Stanley & Co. LLC, on behalf of the underwriters. See "Underwriting (Conflicts of Interest)" for a description of these lock-up agreements.

Upon the expiration of the contractual lock-up agreements pertaining to this offering, up to an additional shares of common stock will be eligible for sale in the public market, all of which are held by directors, executive officers, employees, former employees, existing investors and other affiliates and will be subject to volume, manner of sale and other limitations under Rule 144. Following completion of this offering, common stock covered by registration rights would represent approximately % of our outstanding shares of common stock (or %, if the underwriters exercise in full their option to purchase additional shares of common stock). Registration of any of these outstanding shares of common stock would result in such shares becoming freely tradable without compliance with Rule 144 upon effectiveness of the registration statement. See "Shares Eligible for Future Sale."

As restrictions on resale end or if these stockholders exercise their registration rights, the market price of our common stock could drop significantly if the holders of these shares sell them or are perceived by the market as intending to sell them. These factors could also make it more difficult for us to raise additional funds through future offerings of our common stock or other securities.

In addition, our shares of common stock reserved for future issuance under the 2021 Plan and the ESPP will become eligible for sale in the public market once those shares are issued, subject to provisions relating to various vesting agreements, lock-up agreements and Rule 144, as applicable.

In the future, we may also issue our securities in connection with investments or acquisitions. The amount of our common stock issued in connection with an investment or acquisition could constitute a material portion of our then-outstanding common stock. Any issuance of additional securities in connection with investments or

acquisitions may result in additional dilution to you and the securities issued may have rights that are senior to our common stock.

Our ability to raise capital in the future may be limited.

Our business and operations may consume resources faster than we anticipate. In the future, we may need to raise additional funds through the issuance of new equity securities, debt or a combination of both. Additional financing may not be available on favorable terms, or at all. If adequate funds are not available on acceptable terms, we may be unable to fund our capital requirements. If we issue new debt securities, the debt holders would have rights senior to common stockholders to make claims on our assets, and the terms of any debt could restrict our operations, including our ability to pay dividends on our common stock. If we issue additional equity securities, existing stockholders will experience dilution, and the new equity securities could have rights senior to those of our common stock. Because our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings. Thus, our stockholders bear the risk of our future securities offerings reducing the market price of our common stock and diluting their interest.

If securities analysts do not publish research or reports about our business or if they downgrade our common stock or our industry, the price of our common stock and trading volume could decline.

The trading market for our common stock will rely in part on the research and reports that industry or financial analysts publish about us or our business or industry. We do not control these analysts. Furthermore, if one or more of the analysts who do cover us downgrade our common stock or our industry, or the stock of any of our competitors, or publish inaccurate or unfavorable research about our business or industry, the price of our common stock could decline. If one or more of these analysts ceases coverage of us or fails to publish reports on us regularly, we could lose visibility in the market, which in turn could cause the price of our common stock or trading volume to decline.

Some provisions of our charter documents and Delaware law may have anti-takeover effects that could discourage an acquisition of us by others, even if an acquisition would be beneficial to our stockholders, and may prevent attempts by our stockholders to replace or remove our current management.

Provisions in our amended and restated certificate of incorporation and our amended and restated bylaws, as well as provisions of the Delaware General Corporation Law (the "DGCL"), could make it more difficult for a third party to acquire us or increase the cost of acquiring us, even if doing so would benefit our stockholders, including transactions in which stockholders might otherwise receive a premium for their shares. These provisions include:

- establishing a classified board of directors such that not all members of the board are elected at one time;
- allowing the total number of directors to be determined exclusively (subject to the rights of holders of any series of preferred stock to elect additional directors) by resolution of our board of directors and granting to our board the sole power (subject to the rights of holders of any series of preferred stock or rights granted pursuant to the Stockholders Agreement) to fill any vacancy on the board;
- limiting the ability of stockholders to remove directors without cause;
- authorizing the issuance of "blank check" preferred stock by our board of directors, without further stockholder approval, to thwart a takeover attempt;
- prohibiting stockholder action by written consent (and, thus, requiring that all stockholder actions be taken at a meeting of our stockholders), if the Voting Group collectively ceases to own, or no longer has the right to direct the vote of, at least 50% of the voting power of our common stock;
- eliminating the ability of stockholders to call a special meeting of stockholders, except for LGP and TPG, so long as the Voting Group collectively owns, or has the right to direct the vote of, at least 50% of the voting power of our common stock;

- establishing advance notice requirements for nominations for election to the board of directors or for proposing matters that can be acted upon at annual stockholder meetings;
- requiring the approval of the holders of at leasttwo-thirds of the voting power of all outstanding stock entitled to vote thereon, voting together as a single class, to amend or repeal our amended and restated certificate of incorporation or amended and restated bylaws if the Voting Group collectively ceases to own, or no longer has the right to direct the vote of, at least 50% of the voting power of our common stock; and
- electing not to be governed by Section 203 of the DGCL.

These provisions could discourage, delay or prevent a transaction involving a change in control of our Company. They could also discourage proxy contests and make it more difficult for you and other stockholders to elect directors of your choosing and cause us to take corporate actions other than those you desire.

We will be exposed to risks relating to evaluations of controls required by Section 404 of the Sarbanes-Oxley Act.

As a privately-held company, we were not required to evaluate our internal control over financial reporting in a manner that meets the standards of publicly traded companies required by Section 404(a) of the Sarbanes-Oxley Act of 2002 ("Section 404" and the "Sarbanes-Oxley Act," respectively). As a public company, we will have significant requirements for enhanced financial reporting and internal controls. Our internal control over financial reporting is currently managed by an internal financial reporting team with support from a third party service provider. The process of designing and implementing effective internal controls that we will manage is a continuous effort that requires us to anticipate and react to changes in our business and the economic and regulatory environments and to expend significant resources to maintain a system of internal controls that is adequate to satisfy our reporting obligations as a public company. If we are unable to establish or maintain appropriate internal financial reporting controls and procedures, it could cause us to fail to meet our reporting obligations on a timely basis, result in material misstatements in our consolidated financial statements and harm our results of operations. In addition, we will be required, pursuant to Section 404, to furnish a report by management on, among other things, the effectiveness of our internal controls over financial reporting in the second annual report following the completion of this offering. This assessment will need to include disclosure of any material weaknesses identified by our management in our internal controls over financial reporting. The rules governing the standards that must be met for our management to assess our internal controls over financial reporting are complex and require significant documentation, testing and possible remediation. Testing internal controls may divert our management's attention from other matters that are important to our business. Our independent registered public accounting firm may be required to issue an attestation report on effectiveness of our internal controls following the completion of this offering.

In connection with the implementation of the necessary procedures and practices related to internal controls over financial reporting, we may identify deficiencies that we may not be able to remediate in time to meet the deadline imposed by the Sarbanes-Oxley Act for compliance with the requirements of Section 404. In addition, we may encounter problems or delays in completing the remediation of any deficiencies identified by our independent registered public accounting firm in connection with the issuance of their attestation report.

Our testing, or the subsequent testing by our independent registered public accounting firm, may reveal deficiencies in our internal controls over financial reporting that are deemed to be material weaknesses. A material weakness in internal controls could result in our failure to detect a material misstatement of our annual or quarterly consolidated financial statements or disclosures. We may not be able to conclude on an ongoing basis that we have effective internal controls over financial reporting in accordance with Section 404. If we are unable to conclude that we have effective internal controls over financial reporting, investors could lose confidence in our reported financial information, which could have a material adverse effect on the trading price of our common stock.

We will incur increased costs as a result of operating as a publicly traded company, and our management will be required to devote substantial time to new compliance initiatives.

As a publicly traded company, we will incur additional legal, accounting, insurance and other expenses that we did not previously incur. Although we are currently unable to estimate these costs with any degree of certainty, they may be material in amount. In addition, the Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act and the rules of the SEC, and the stock exchange on which our common stock is listed, have imposed various requirements on public companies. Our management and other personnel will need to devote a substantial amount of time to these compliance initiatives as well as investor relations. Moreover, these rules and regulations will increase our legal and financial compliance costs and will make some activities more time-consuming and costly. For example, we expect these rules and regulations to make it more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to incur additional costs to maintain the same or similar coverage.

We currently do not intend to declare dividends on our common stock in the foreseeable future and, as a result, your only opportunity to achieve a return on your investment is if the price of our common stock appreciates.

We currently do not expect to declare any dividends on our common stock in the foreseeable future. Instead, we anticipate that all of our earnings in the foreseeable future will be used to support our operations and to finance the growth and development of our business. Any determination to declare or pay dividends in the future will be at the discretion of our board of directors, subject to applicable laws and dependent upon a number of factors, including our earnings, capital requirements and overall financial conditions. In addition, because we are a holding company, our ability to pay dividends on our common stock may be limited by restrictions on our ability to obtain sufficient funds through dividends from subsidiaries, including restrictions under the covenants of the Credit Agreement and the Indentures, and may be further restricted by the terms of any future debt or preferred securities. Accordingly, your only opportunity to achieve a return on your investment in our Company may be if the market price of our common stock appreciates and you sell your common stock at a profit. The market price for our common stock may never exceed, and may fall below, the price that you pay for such common stock.

Our amended and restated certificate of incorporation and our amended and restated bylaws will provide that the Court of Chancery of the State of Delaware or federal district courts of the United States will be the sole and exclusive forum for certain types of lawsits, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.

Our amended and restated certificate of incorporation and amended and restated bylaws will require, to the fullest extent permitted by law, that (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed to us or our stockholders by any of our directors, officers, employees or agents, (iii) any action asserting a claim against us arising pursuant to any provision of the DGCL or our amended and restated certificate of incorporation or our amended and restated bylaws, or (iv) any action asserting a claim against us that is governed by the internal affairs doctrine will have to be brought only in the Court of Chancery of the State of Delaware (or the federal district court for the District of Delaware or other state courts of the State of Delaware if the Court of Chancery in the State of Delaware does not have jurisdiction). Our amended and restated certificate of incorporation and amended and restated bylaws will also require that the federal district courts of the United States of America will be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act; however, there is uncertainty as to whether a court would enforce such provision, and investors cannot waive compliance with federal securities laws and the rules and regulations thereunder. Although we believe these provisions benefit us by providing increased consistency in the application of applicable law in the types of lawsuits to which they apply, the provisions may have the effect of discouraging lawsuits against our directors and officers. These provisions would not apply to any suits brought to enforce any liability or duty created by the Securities Exchange Act of 1934, as amended (the "Exchange Act") or any other claim for which the federal courts of the United States have exclusive jurisdiction.

Our ability to use our net operating loss carryforwards and certain other tax attributes may become subject to limitation.

As of December 31, 2020, we had U.S. federal and state net operating loss carryforwards of approximately $481.7 million ($101.1 million tax effected) and $311.1 million ($18.1 million tax effected), respectively, and disallowed interest expense carryforwards under Section 163(j) of the Internal Revenue Code of 1986, as amended (the "Code"), of approximately $3.1 million ($0.8 million tax effected). In addition, we expect to generate significant federal and state net operating losses and disallowed interest in 2021. Our ability to utilize our federal net operating carryforwards and disallowed interest expense carryforwards (the "Tax Attributes") may become limited under Section 382 of the Code. The limitation applies if we experience an "ownership change," which is generally defined as a greater than 50 percentage point change (by value) in the ownership of our equity by certain stockholders over a rolling three-year period. The amount of the annual limitation is generally equal to the product of the applicable long-term tax exempt-rate (as published by the Internal Revenue Service for the month in which the "ownership change" occurred) and the value of our outstanding stock immediately prior to the "ownership change." If we have a net unrealized built-in gain in our assets immediately prior to the "ownership change," the annual limitation may be increased as certain gains are, or are treated as, recognized during the five-year period beginning on the date of the "ownership change." Similar provisions of state tax law may also apply to limit the use of our state net operating loss carryforwards.

We currently do not expect to undergo an "ownership change" due to this offering, and even if we were to experience an "ownership change" due to this offering, our ability to use our Tax Attributes to offset our taxable income may not be significantly limited. However, we may undergo an "ownership change" due to future transactions in our stock, which may be outside of our control, and we cannot predict whether any future "ownership change" would result in a significant limitation on our ability to use our Tax Attributes to offset our taxable income and adversely affect our future cash flows.

Non-U.S. holders who own more than 5% of our common stock may be subject to U.S. federal income tax on gain realized on the sale or other taxable disposition of such stock.

Because we have significant ownership of real property located in the United States, we may be a "United States real property holding corporation" ("USRPHC") for U.S. federal income tax purposes, but we have made no determination to that effect. There can be no assurance that we do not currently constitute or will not become a USRPHC. As a result, a "Non-U.S. Holder" (as defined below under "Material U.S. Federal Income Tax Considerations to Non-U.S. Holders") may be subject to U.S. federal income tax on gain realized on a sale or other taxable disposition of our common stock if such Non-U.S. Holder has owned, actually or constructively, more than 5% of our common stock at any time during the shorter of the five-year period ending on the date of the sale or other taxable disposition or the Non-U.S. Holder's holding period in such stock.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus includes forward-looking statements regarding, among other things, our plans, strategies and prospects, both business and financial. These statements are based on the beliefs and assumptions of our management. Although we believe that our plans, intentions and expectations reflected in or suggested by these forward-looking statements are reasonable, we cannot assure you that we will achieve or realize these plans, intentions or expectations. Forward-looking statements are inherently subject to risks, uncertainties and assumptions. Generally, statements that are not historical facts, including statements concerning our possible or assumed future actions, business strategies, events or results of operations, are forward-looking statements. These statements may be preceded by, followed by or include the words "believe," "expect," "anticipate," "intend," "plan," "estimate" or similar expressions. Factors that could cause actual results to differ materially from those forward-looking statements included in this prospectus include, among others:

- the impacts of COVID-19 (as defined herein), or other future pandemics, on our operations, members, employees, vendors, service providers, business and cash flows, including risks related to:
  - whether we will be able to keep our centers open;
  - whether our members will return at levels that existed prior toCOVID-19;
  - whether our members who have placed their Center membership on hold will return to Center membership at rates we have historically experienced;
  - whether we will be able to achieve the liquidity results we anticipate;
  - whether we will experience pressure on our margins from efforts to attract and retain members and incurring additional expenditures in connection with our centers;
  - whether we will incur additional expenditures associated with our construction projects that we begin or resume;
- our ability to attract and retain members;
- competition in the health, fitness and wellness industry;
- our inability to anticipate and satisfy consumer preferences and shifting views of health, fitness and wellness;
- events such as severe weather conditions, natural disasters, global pandemics or health crises, hostilities and social unrest, among others;
- disruptions in the operations of our centers in geographic areas where we have significant operations;
- our dependence on a limited number of suppliers for equipment and certain products and services;
- a deterioration in the quality or reputation of our brand or the health club industry;
- risks relating to our use of social media and email and text message marketing;
- our inability to protect and enforce our intellectual property rights or defend against intellectual property infringement suits against us by third parties;
- our inability to identify and acquire suitable sites for centers;
- increased investments in future centers in wealthier demographic areas and the risk that the level of return will not meet our expectations;
- delays in new center openings;
- our growth and changes in the industry;
- costs we may incur in the development and implementation of new businesses with no guarantee of success;

- risks relating to acquisitions, including our inability to acquire suitable businesses or, if we do acquire them, risks relating to asset impairment or the integration of the business into our own;
- our ability to adapt to significant and rapid technological change;
- our inability to properly maintain the integrity and security of our data or the data of our members, to comply with applicable privacy laws, or to strategically implement, upgrade or consolidate existing information systems;
- disruptions and failures involving our information systems;
- risks related to automated clearing house ("ACH"), credit card, debit card and digital payments we accept;
- our ability to generate cash flow to service our substantial debt obligations;
- our ability to operate our business under the restrictions in our Credit Facilities and Indentures that limit our current and future operating flexibility;
- our ability to incur additional debt;
- our inability to retain our key employees and hire additional highly qualified employees;
- labor shortages;
- attempts by labor organizations to organize groups of our employees or changes in labor laws;
- our ability to comply with extensive governmental laws and regulations, and changes in these laws and regulations;
- we could be subject to claims related to our health, fitness and wellness-related offerings;
- our inability to maintain the required level of insurance coverage on acceptable terms or at an acceptable cost;
- claims related to construction or operation of our centers and in the use of our premises, facilities, equipment, services, activities or products;
- potential negative impacts resulting from the opening of new centers, including in our existing markets;
- rising costs related to construction of new centers and maintenance of our existing centers and our inability to pass these cost increases through to our members;
- risks associated with leases on certain of our centers;
- seasonal and quarterly variations in our revenues and net income;
- delayed payments or failure to pay by our members and difficulties negotiating and collecting amounts due from members;
- a liquid trading market for our common stock may not develop;
- significant changes to our share price following this offering;
- potential conflicts of interest between the private equity investment funds that control us and our public stockholders;
- other risks relating to this offering and ownership of our common stock;
- other factors beyond our control; and
- other factors set forth under "Risk Factors" in this prospectus.

These cautionary statements should not be construed as exhaustive and should be read in conjunction with the other cautionary statements included in this prospectus, including those under the heading "Risk Factors."

These risks and uncertainties, as well as other risks of which we are not aware or which we currently do not believe to be material, may be amplified by the COVID-19 pandemic and its potential impact on our business and the global economy and may cause our actual future results to be materially different than those expressed in our forward-looking statements. We caution you not to place undue reliance on these forward-looking statements. All forward looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the foregoing cautionary statements. Forward looking statements speak only as of the date of this prospectus. We do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

USE OF PROCEEDS

We estimate that the net proceeds to us from our sale of shares of common stock in this offering will be approximately $ (or $ million if the underwriters fully exercise their option to purchase additional shares), based on the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, and after deducting underwriting discounts and estimated offering expenses payable by us. We intend to use the net proceeds from this offering (i) to repay $ million in aggregate principal amount of borrowings under our Term Loan Facility, including the 1% prepayment penalty, (ii) to pay offering fees and expenses and (iii) for working capital and general corporate purposes. Our Term Loan Facility matures in December 2024 and, for the six months ended June 30, 2021, borrowings thereunder bore interest at a variable rate that averaged 5.75% for the period. For further description of our indebtedness, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Debt Capitalization."

A $1.00 increase (decrease) in the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) the net proceeds to us from this offering by $ million, assuming the number of shares of common stock offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the assumed underwriting discounts and commissions and estimated offering expenses payable by us. An increase (decrease) of shares of common stock from the expected number of shares of common stock to be sold by us in this offering, assuming no change in the assumed initial public offering price per share of common stock, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) our net proceeds from this offering by $ million. Such increase (decrease) in net proceeds will increase (decrease) the amount of borrowings under our Term Loan Facility we intend to repay and/or the amount used for working capital and the remainder available for general corporate purposes.

The information discussed above is illustrative only and will be adjusted based on the actual initial public offering price and other terms of this offering determined at pricing.

DIVIDEND POLICY

We do not currently expect to pay any cash dividends on our common stock for the foreseeable future. Instead, we anticipate that all of our earnings in the foreseeable future will be used to support our operations and to finance the growth and development of our business. Any determination to declare or pay dividends in the future will be at the discretion of our board of directors and will depend upon our results of operations, cash requirements, financial condition, contractual restrictions, restrictions imposed by applicable laws and other factors that our board of directors may deem relevant. Upon completion of the offering, we will be controlled by the Voting Group, who will have the ability to nominate a majority of the members of our board of directors and therefore control the payment of dividends. See "Risk Factors—Risks Relating to this Offering and Ownership of Our Common Stock—We are controlled by the Voting Group, whose interests may not be aligned with yours."

In addition, our business is conducted through our subsidiaries. Dividends, distributions and other payments from, and cash generated by, our subsidiaries will be our principal sources of cash to repay indebtedness, fund operations and pay dividends. Accordingly, our ability to pay dividends to our stockholders is dependent on the earnings and distributions of funds from our subsidiaries. The covenants in the Credit Agreement and the Indentures significantly restrict the ability of our subsidiaries to pay dividends or otherwise transfer assets to us. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Debt Capitalization" and "Risk Factors—Risks Relating to this Offering and Ownership of Our Common Stock—We currently do not intend to declare dividends on our common stock in the foreseeable future and, as a result, your only opportunity to achieve a return on your investment is if the price of our common stock appreciates."

CAPITALIZATION

The following table sets forth as of June 30, 2021, our cash and cash equivalents and capitalization on:

- an actual basis; and
- a pro forma as adjusted basis to give effect to (i) share-based compensation expense related to stock options that will be recognized upon consummation of this offering as described in footnote (5) below, (ii) the cancellation of the outstanding balance owed under the stockholder note receivable as described in footnote (6) below and (iii) this offering and the use of proceeds therefrom as set forth under the heading "Use of Proceeds."

The information in this table should be read in conjunction with the information presented under the captions "Use of Proceeds" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the historical consolidated financial statements and accompanying notes included elsewhere in this prospectus.

	As of June 30, 2021	
	Actual	Pro Forma As Adjusted
	(in millions)	
Cash and cash equivalents	$ 104,200	$
Total debt (including current maturities):		
Credit Facilities (1)	845,750	
Unsecured Notes	475,000	
Secured Notes	925,000	
Other debt (2)	161,133	
Total debt (including current maturities)(3)	2,406,883	
Mezzanine equity:		
Series A Preferred Stock, $0.01 par value per share, 12,000,000 shares authorized, 5,929,570 shares issued and outstanding, actual, 0 shares issued and outstanding, as adjusted (4)	151,336	—
Stockholders' equity:		
Common stock, $0.01 par value per share, 200,000,000 shares authorized, 145,196,492 shares issued and outstanding, actual, shares issued and outstanding, as adjusted	1,452	
Additional paid-in capital (5)	1,564,591	
Stockholder note receivable (6)	(15,000)	—
Retained deficit (5)	(300,871)	
Accumulated other comprehensive loss	(503)	
Total stockholders' equity	1,249,669	
Total capitalization	$ 3,807,888	$

(1) The Credit Facilities consist of: (i) our $850.0 million Term Loan Facility maturing in December 2024 and (ii) our $357.9 million Revolving Credit Facility, approximately $32.7 million of which will mature in August 2022 and approximately $325.2 million of which will mature in September 2024.

(2) Other debt as of June 30, 2021 on an actual basis consists of certain mortgage notes collateralized by certain related real estate and buildings, payable until August 2027 at a weighted average interest rate of 4.69%.

(3) Excludes fair value adjustment of $2.1 million and unamortized debt issuance costs of $39.8 million.

(4) In connection with the consummation of this offering, all issued and outstanding shares of our Series A Preferred Stock will be automatically converted into shares of our common stock.

(5) Includes an adjustment for unrecognized share-based compensation expense related to stock options of approximately $ million, which will be recognized upon the consummation of this offering.

(6) In August 2021, we entered into an agreement pursuant to which the outstanding balance owed under the stockholder note receivable was cancelled. The cancellation of the $15.0 million outstanding principal balance associated with the loan was accounted for as an equity transaction, and the Stockholder note receivable and Additional paid-in capital balances recognized on our consolidated balance sheet were each reduced by $15.0 million.

The number of shares of common stock to be outstanding after this offering excludes:

- shares of common stock issuable upon the exercise of options outstanding under our 2015 Plan as of , 2021 with a weighted average exercise price of $ per share;
- shares of common stock issuable upon the vesting of restricted stock units outstanding under our 2015 Plan as of , 2021;
- additional shares of common stock that will become available for future issuance under the 2021 Plan which will become effective in connection with the completion of this offering, as well as any shares that will become issuable pursuant to provisions in the 2021 Plan that automatically increase the share reserve under the 2021 Plan;
- additional shares of common stock that will become available for future issuance under the ESPP, which will become effective in connection with the completion of this offering, as well as any shares that will become issuable pursuant to provisions in the ESPP that automatically increase the share reserve under the ESPP; and
- up to additional shares of common stock issuable in connection with the grant of restricted stock units payable under our 2021 Bonus Program, which will be considered outstanding once granted pursuant to the 2021 Bonus Program.

DILUTION

If you invest in our common stock in this offering, your ownership interest in us will be diluted to the extent of the difference between the initial public offering price per share of common stock and the net tangible book value per share of common stock as adjusted to give effect to this offering. Dilution results from the fact that the per share offering price of the share is substantially in excess of the book value per share of common stock attributable to the common stock held by existing stockholders.

Our net tangible book deficit as of June 30, 2021 was approximately $, or $ per share of common stock. We calculate net tangible book value per share by taking the amount of our total tangible assets, reduced by the amount of our total liabilities, and then dividing that amount by the total number of shares of common stock outstanding after giving effect to the conversion of our Series A Preferred Stock into shares of our common stock in connection with the consummation of this offering.

After giving effect to our sale of the shares of our common stock in this offering at an assumed initial public offering price of $ per share of common stock, which is the midpoint of the price range set forth on the cover page of this prospectus, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us and after giving effect to the application of the net proceeds from this offering as described under "Use of Proceeds," our as adjusted net tangible book deficit as of June 30, 2021, after giving effect to this offering, would have been $ million, or $ per share of common stock. This amount represents an immediate increase in net tangible book value of $ per share of common stock to existing stockholders and an immediate dilution in net tangible book deficit of $ per share of common stock to new investors purchasing shares of common stock in this offering at the initial public offering price.

The following table illustrates this dilution on a per share basis:

Initial public offering price per share		$
Historical net tangible book deficit per share as of June 30, 2021	$	
Increase in net tangible book value per share attributable to new investors purchasing shares in this offering		
Net tangible book deficit per share as adjusted to give effect to this offering		
Dilution per share to new investors in this offering		$

Dilution is determined by subtracting as adjusted net tangible book value per share of common stock after giving effect to this offering, from the initial public offering price per share of common stock.

The following table summarizes, as of June 30, 2021, the differences between the number of shares of common stock purchased from us, the total consideration paid to us, and the average price per share paid by existing stockholders and by new investors. As the table shows, new investors purchasing common stock in this offering will pay an average price per share substantially higher than our existing stockholders paid. The table below is based on shares of common stock outstanding immediately after the consummation of this offering and does not give effect to shares of common stock issuable upon exercise of outstanding options to purchase our common stock outstanding as of June 30, 2021, shares of common stock issuable upon the vesting of restricted stock units outstanding as of June 30, 2021, shares of common stock reserved for future issuance under the 2021 Plan and the ESPP or shares of common stock issuable in connection with the grant of restricted stock units payable under our 2021 Bonus Program, which will be considered outstanding once granted pursuant to the 2021 Bonus Program. A total of shares of common stock underlie awards that have been issued under our existing 2015 Plan. A total of and shares of common stock have been reserved for

future issuance under the 2021 Plan and the ESPP, respectively. The table below is based on an assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page.

	Shares Purchased		Total Consideration		Average Price Per Share
	Number	Percent	Amount	Percent	
Existing stockholders					
New investors					
Total					

If the underwriters were to fully exercise the underwriters' option to purchase additional shares of common stock, the percentage of common stock held by existing stockholders would be % and the percentage of common stock held by new investors would be %.

Assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, excluding assumed underwriting discounts and estimated commissions and offering expenses payable by us, a $ increase (decrease) in the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) total consideration paid by new investors and total consideration paid by all stockholders by approximately $ million.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with our consolidated financial statements and the related notes and other financial information included elsewhere in this prospectus. Some of the information included in this discussion and analysis or set forth elsewhere in this prospectus, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties. You should review the "Cautionary Note Regarding Forward-Looking Statements" and "Risk Factors" sections of this prospectus for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

Overview

Life Time, the "Healthy Way of Life Company," is a leading lifestyle brand offering premium health, fitness and wellness experiences to a community of nearly 1.4 million individual members, who together comprise more than 767,000 memberships, as of July 31, 2021. Since our founding nearly 30 years ago, we have sought to continuously innovate ways for our members to lead healthy and happy lives by offering them the best places, programs and performers. We deliver high-quality experiences through our omni-channel physical and digital ecosystem that includes more than 150 centers—distinctive, resort-like athletic destinations—across 29 states in the United States and one province in Canada. Our track record of providing differentiated experiences to our members has fueled our strong, long-term financial performance. In 2019, prior to the COVID-19 pandemic, we generated $1.9 billion of revenue, $30 million in net income and $438 million in Adjusted EBITDA. In 2020, which was impacted by the COVID-19 pandemic, we generated $0.9 billion of revenue, $360 million in net loss and $(63) million in Adjusted EBITDA, and in the six months ended June 30, 2021, we generated $0.6 billion of revenue, $229 million in net loss and $(15) million in Adjusted EBITDA.

Our luxurious athletic centers, which are located in both affluent suburban and urban locations, total more than 15 million square feet in the aggregate. We offer expansive fitness floors with top-of-the-line equipment, spacious locker rooms, group fitness studios, indoor and outdoor pools and bistros, indoor and outdoor tennis courts, basketball courts, LifeSpa, LifeCafe and our childcare and Kids Academy learning spaces. Our premium service offering is delivered by approximately 30,000 Life Time team members, including over 6,100 certified fitness professionals, ranging from personal trainers to studio performers. Our members are highly engaged and draw inspiration from the experiences and community we have created, as demonstrated by the 92 million visits to our centers in 2019, the 48 million visits to our centers in 2020 despite the COVID-19 pandemic and the 32 million visits to our centers during the first six months of 2021.

We believe that no other company in the United States delivers the same quality and breadth of health, fitness and wellness experiences as we deliver, which has enabled us to consistently grow our recurring membership dues and in-center revenues for 20 consecutive years, prior to the impact of the COVID-19 pandemic. As of December 31, 2019, December 31, 2020 and June 30, 2021, our recurring membership dues represented 63%, 69% and 68%, respectively, of our total revenue, while our in-center revenue, consisting of Life Time Training, LifeCafe, LifeSpa, Life Time Swim and Life Time Kids, among other services, represented 34%, 29% and 30%, respectively, of our total revenue. Between 2015 and 2019, we grew our average revenue per membership from $1,883 to $2,172, a testament to the significant value that our members place on engaging with Life Time. Our Net Promoter Score increased from 34 as of December 31, 2017 to 53 as of June 30, 2021, demonstrating our ability to continuously enhance our member experience. While average revenue per membership fell to $1,317 in 2020, we have seen a strong rebound already in 2021, with $984 in average revenue per membership during the six months ended June 30, 2021.

We offer a variety of convenient month-to-month memberships with no long-term contracts. We define a membership for our centers in two ways: Center memberships and Digital On-hold memberships. A Center membership is defined as one or more adults 14 years of age or older, plus any juniors under the age of 14. Our base memberships provide individuals general access (with some amenities excluded) to a selected home center

and all centers with the same or a lower base monthly dues rate. Our optimized pricing for a Center membership is determined center-by-center based on a variety of factors, including geography, market presence, demographic nature, population density, initial investment in the center and available services and amenities. Digital On-hold memberships do not provide access to our centers and are for those members who want to maintain certain member benefits including our Life Time Digital membership and the right to convert to Center membership without paying enrollment fees.

We continue to evolve our premium lifestyle brand in ways that allow our members to more easily and regularly integrate health, fitness and wellness into their lives. We are enhancing our digital platform to deliver a true omni-channel experience for our members. Our Life Time Digital offering delivers live streaming fitness classes, remote goal-based personal training, nutrition and weight loss support and curated award-winning health, fitness and wellness content. Through an agreement with Apple®, we also provide Apple Fitness+ to our members, which gives our members expanded content and wellness data monitoring on the go. In addition, our members are able to purchase a wide variety of equipment, wearables, apparel, beauty products and nutritional supplements via our digital health store. We are continuing to invest in our digital capabilities in order to strengthen our relationships with our members and more comprehensively address their health, fitness and wellness needs so that they can remain engaged and connected with Life Time at any time or place.

We are also expanding our ecosystem in response to our members' desire to more holistically integrate health and wellness into every aspect of their daily lives. In 2018, we launched Life Time Work, an asset-light branded co-working model that offers premium work spaces in close proximity to our centers and integrates ergonomic furnishings and promotes a healthy working environment. Life Time Work members also receive access to all of our resort-like athletic destinations across the United States and Canada. Additionally, we opened our first Life Time Living location in 2021, another asset-light extension of our "Healthy Way of Life" ecosystem, which offers luxury wellness-oriented residences. As we expand our footprint with new centers and nearby work and living spaces, as well as strengthen our digital capabilities, we expect to continue to grow our omni-channel platform to support the "Healthy Way of Life" journey of our members.

Components of Our Results of Operations

Total revenue

Total revenue consists of center revenue and other revenue (each defined below).

Center revenue

Center revenue consists of membership dues, enrollment fees and revenue generated within a center, which we refer to asin-center revenue. In-center revenue includes fees for personal training, aquatics and kids programming and other member services, as well as sales of products at our cafés, and sales of products and services offered at our spas and tennis programs.

Other Revenue

Other revenue includes revenue generated from our businesses outside our centers, which are primarily media, athletic events and related services. Our media revenue includes our magazine, Experience Life®, our athletic events revenue includes endurance activities such as running, cycling and triathlons, and our related services revenue includes revenue from our race registration and timing businesses. Other revenue also includes revenue generated from our Life Time Work locations.

Center operations expenses

Center operations expenses consist of direct expenses related to the operation of our centers, such as salaries, commissions, payroll taxes, benefits, real estate taxes and other occupancy costs (excluding rent), utilities, repairs and maintenance, supplies and pre-opening expenses.

Rent expense

Rent consists of rent expense in accordance with GAAP, which includes both cash andnon-cash rent expense related to our operating leases for our leased centers and corporate locations.

General, administrative and marketing expenses

General, administrative and marketing expenses include:

- Costs relating to our centralized support functions, such as accounting, information systems, procurement, real estate and development and member relations, as well as share-based compensation expense.
- Marketing expenses, which primarily consist of marketing department costs and media and advertising costs to support and grow Center membership levels, in-center businesses, new center openings and our businesses outside of our centers.
- Indirect support costs related to the operation of our centers, including payroll-related expenses associated with our regional center management structure and in-center business support.

Depreciation and Amortization

Consists of depreciation and amortization for our depreciable long-live assets, including assets related to our owned centers.

Other operating expenses

Consists primarily of expenses related to our other revenue, which is generated from our businesses outside of our centers. In addition, we record other non-recurring operating expenses that we believe are not indicative of our core operating performance, as a component of other operating expenses.

Interest expense, net of interest income

Interest expense, net of interest income consists primarily of cash interest expense on borrowings andnon-cash interest expense which includes the amortization of debt issuance costs, partially offset by interest earned.

Equity in earnings of affiliate

Includes investments in unconsolidated subsidiaries which we account for using the equity method of accounting.

Provision for (benefit from) income taxes

The provision for (benefit from) income taxes consists of an estimate for U.S. federal, state and foreign income taxes based on enacted rates, as adjusted for allowable credits, deductions, uncertain tax positions, changes in deferred tax assets and liabilities and changes in the tax law.

Net income (loss)

Net income (loss) consists of our total revenue, less our total operating expenses, and then adjusted for other (expense) income and provision for (benefit from) income taxes, as set forth on our consolidated statements of operations.

Non-GAAP Measurements and Key Performance Indicators

We prepare and analyze various non-GAAP performance metrics and key performance indicators to assess the performance of our business and allocate resources. For more information regarding our non-GAAP performance metrics, see "Non-GAAP Financial Measures." These are not measurements of our financial performance under GAAP and should not be considered as alternatives to any other performance measures derived in accordance with GAAP. Set forth below are the non-GAAP measurements and key performance indicators for the years ended December 2018, 2019 and 2020 and the six months ended June 30, 2020 and 2021. The following information has been presented consistently for all periods presented. For additional information on Adjusted EBITDA and free cash flow before growth capital expenditures, including a reconciliation to the most comparable GAAP measure, see "Prospectus Summary—Summary Historical Consolidated Financial Information."

	As of December 31,			Six Months Ended June 30,	
	2018	2019	2020	2020	2021
Membership Data					
Center memberships	813,975	853,748	500,948	708,739	657,737
Digital On-hold memberships	92,705	90,299	248,641	176,575	101,983
Total memberships	906,680	944,047	749,589	885,314	759,720
Revenue Data ($ in thousands)					
Membership dues and enrollment fees	65.4%	65.3%	70.0%	67.3%	69.9%
In-center revenue	34.6%	34.7%	30.0%	32.7%	30.1%
Total center revenue	100.0%	100.0%	100.0%	100.0%	100.0%
Average center revenue per center membership	$ 2,089	$ 2,172	$ 1,317	$ 587	$ 984
Comparable center sales	3.1%	2.7%	(52.2)%	(50.8)%	16.1%
Center Data					
Net new center openings	11	5	3	2	4
Total centers (end of period)	141	146	149	148	153
Total center square footage (end of period)	13,900,000	14,600,000	14,800,000	14,700,000	15,000,000
GAAP, Non-GAAP and Other Financial Measures ($ in thousands)					
Net income (loss)	40,888	30,025	(360,192)	(182,657)	(229,157)
Net income (loss) margin	2.3%	1.6%	(38.0)%	(37.4)%	(40.0)%
Adjusted EBITDA	$ 421,069	$ 437,933	$ (62,966)	$ (32,497)	$ (14,754)
Adjusted EBITDA margin	24.1%	23.0%	(6.6)%	(6.6)%	(2.6)%
Center operations	$ 950,585	$ 1,041,133	$ 660,046	$ 349,778	$ 393,326
Pre-opening expenses	$ 17,509	$ 14,282	$ 7,463	$ 4,487	$ 4,671
Rent	$ 124,895	$ 165,965	$ 186,257	$ 90,931	$ 102,039
Non-cash rent expense	$ 12,980	$ 22,521	$ 37,104	$ 26,307	$ 6,219
Net cash provided by (used in) operating activities	$ 336,193	$ 358,718	$ (95,981)	$ (44,376)	$ (13,039)
Free cash flow before growth capital expenditures	$ 188,440	$ 177,479	$ (197,441)	$ (113,699)	$ (60,825)

Average Center revenue per center membership

We define Average Center revenue per center membership as Center revenue less DigitalOn-hold revenue, divided by the average number of Center memberships for the period, where the average number of Center memberships for the period is an average derived from dividing the sum of the total Center memberships outstanding at the beginning of the period and at the end of each month during the period by one plus the number of months in each period.

Comparable center sales

We measure the results of our centers based on how long each center has been open as of the most recent measurement period. We include a center, for comparable center sales purposes, beginning on the first day of the 13th full calendar month of the center's operation, in order to assess the center's growth rate after one year of operation.

Net new center openings and Total centers (end of period)

Net new center openings are the number of centers that opened for the first time to members during the period, less any centers that closed during the period. Total centers (end of period) is the number of centers operational as of the last day of the period. As of June 30, 2021, all but three of our 153 centers were open. Our three closed centers opened in July 2021.

Total center square footage (end of period)

Total center square footage (end of period) reflects the aggregate fitness square footage, which we use as a metric for evaluating the efficiencies of a center as of the end of the period. The square footage figures exclude areas used for tennis courts, outdoor swimming pools, outdoor play areas and stand-alone Work, Sport and Swim locations. These figures are approximations.

Factors Affecting the Comparability of our Results of Operations

Impact of COVID-19 on our Business

Overview

On March 11, 2020, the World Health Organization declared the outbreak of a novel coronavirus that causesCOVID-19 a pandemic and recommended containment and mitigation measures worldwide. On March 13, 2020, the United States declared a National Public Health Emergency with respect to COVID-19. On March 16, 2020, in compliance with orders and advisories from federal, state and local governmental authorities regarding COVID-19, we closed all of our centers. Throughout this prospectus, including this "Management's Discussion and Analysis of Financial Condition and Results of Operations," when we refer to "COVID-19," such as when we describe the "impact ofCOVID-19" on our operations, we mean the coronavirus-related orders issued by governmental authorities affecting our operations and/or the presence of coronavirus in our centers, including COVID-19 positive members or team members.

While our centers were closed, in consultation with an epidemiologist (MD/PhD) with a wide range of experience in clinical, occupational and environmental medicine, we developed processes and protocols for the operation of our centers in the COVID-19 environment. These protocols, which have varied at our centers across the United States and Canada, have included physical distancing, restricting certain equipment and amenities, occupancy limits, required appointments, touchless interactions, facial coverings, cleaning, sanitation, hygiene, air circulation and filtering, screening, contact tracing and educational awareness. We may take further actions as government authorities require or recommend or as we determine to be in the interests of our members, team members, vendors and service providers, including in response to emerging variants of the COVID-19 virus, such as the Delta variant. We continue to refine these processes and protocols as we operate in the evolving COVID-19 environment.

On May 8, 2020, we re-opened our first center in Oklahoma City, Oklahoma. With a focus on providing a healthy and clean environment for our members and team members, we continued to re-open our centers as governmental authorities permitted. As of June 30, 2020, September 30, 2020, December 31, 2020, and March 31, 2021, we had 105, 148, 141 and 151 of our centers opened, respectively. However, many of our centers remained closed or were required to be closed again after re-opening for some period of time during each of these quarters as a result of the COVID-19 pandemic and related restrictions. For instance, during the three months ended June 30, 2020, September 30, 2020 and December 31, 2020, 149, 43 and 31 of our centers, respectively, were closed for some period of time. The performance of our centers after we were able to re-open them has varied depending on various factors, including how early we were able to re-open them in 2020, whether we were required to close them again, their geographic location and applicable governmental restrictions. We have experienced a slightly faster recovery in our membership dues revenue compared to our in-center revenue as our centers have re-opened. We expect membership dues revenue to remain a higher percentage of our total revenue in the near term and return to more historical levels over time. While we are encouraged by the trends of increased vaccination rates, reduced COVID-19 infections and hospitalizations and reduced operating restrictions in many of the regions where our centers operate, the full extent of the impact of COVID-19, including the Delta variant, remains uncertain and is dependent on future developments that cannot be accurately predicted at this time. Considering this uncertainty, the extent of the impact of COVID-19 on our financial position, results of operations, liquidity and cash flows is uncertain at this time.

Operations

As of June 30, 2021, all but three of our 153 centers were open. Our three closed centers opened in July 2021. As of June 30, 2021, total memberships were 759,720, a decrease of 20.0% compared to 950,183 at March 31, 2020. Center memberships were 657,737, a decrease of 22.4% compared to 847,161 at March 31, 2020. Digital On-hold memberships were 101,983, a decrease of 1.0% compared to 103,022 at March 31, 2020.

We continue to monitor governmental orders regarding the operations of our centers, as well as our center operating processes and protocols. We expect we may need to continue to adjust such processes and protocols as facts and circumstances change, including as a result of variants of the COVID-19 virus, such as the Delta variant.

We also expect our centers and in-center businesses will continue to be impacted differently based upon considerations such as their geographic location, vaccination rates, impacts of variants, applicable government restrictions and guidance, and team member and member sentiment with respect to our center operating processes and protocols and working in and/or using our centers. For example, we are seeing an increase in Center memberships and center utilization in various regions where government restrictions have been lifted.

Given increasing demand for online engagement with consumers, we have increased our focus on delivering a digitized in-center experience through our omni-channel ecosystem. In December 2020, we expanded our Digital membership offering, bringing our “Healthy Way of Life” programs, services and content to consumers virtually. This omni-channel experience is designed to deliver health, fitness and wellness where, when and how members want it by offering online reservations registrations, virtual training, live streaming and on-demand classes, virtual events and more.

Cash Flows and Liquidity

In response to the impact of COVID-19 on our business, we took swift cash management actions to reduce our operating costs and preserve liquidity. These actions included: initially furloughing over 95% of our employees; undertaking two corporate restructuring events to right size overhead relative to the current business; initially suspending virtually all construction capital spending; negotiating rent reductions and deferrals with many of our landlords; evaluating the CARES Act and receiving the employee retention credit, the deferment of the employer’s portion of social security tax payments and the various income tax-related benefits; and completing sale-leaseback transactions associated with six properties.

During the six months ended June 30, 2021, we refinanced a significant portion of our outstanding debt. Specifically, we: (i) refinanced in full the outstanding balances associated with our then existing senior secured credit facility as well as our then existing senior unsecured notes; and (ii) converted our related party secured loan into Series A Preferred Stock. Additionally, we completed a sale-leaseback transaction associated with one property. For information regarding the refinancing actions we took during the six months ended June 30, 2021, see Note 6, Debt, to our unaudited condensed consolidated financial statements included elsewhere in this prospectus. For more information regarding the sale-leaseback transaction that was consummated during the six months ended June 30, 2021, see Note 7, Leases, to our unaudited condensed consolidated financial statements included elsewhere in this prospectus.

Although there is uncertainty related to the impact ofCOVID-19 on our financial position, results of operations, liquidity and cash flows, much of which is dependent on the length and severity of the pandemic and the related measures taken, we believe that the combination of our current cash position, our availability under the revolving portion of the Credit Facilities, the recent actions we have taken to refinance our debt and strengthen our balance sheet, as well as the actions we have taken to reduce our cash outflows, leave us well-positioned to manage our business through this pandemic. If our available liquidity were not sufficient to meet our operating and debt service obligations as they come due, we would need to pursue alternative arrangements through additional debt or equity financing to meet our cash requirements. There can be no assurance that any such financing would be available on commercially acceptable terms, or at all.

There may be developments outside of our control requiring us to adjust our operating plan, including additional required center closures. As such, given the dynamic nature of our current operating environment, we cannot reasonably estimate the impacts of COVID-19 on our financial position, results of operations or cash flows in the future.

Share-Based Compensation

On October 6, 2015, our board of directors adopted the LTF Holdings, Inc. 2015 Equity Incentive Plan and on April 20, 2021, they approved an amendment to this plan (as amended, the "2015 Equity Plan"). As of June 30, 2021, we had awarded approximately 24.3 million stock options under the 2015 Equity Plan that remained outstanding and which are subject to certain vesting and exercisability conditions. In connection with this offering, we expect these vesting and exercisability criteria with respect to approximately 21 million of these stock options to be met, and previously unrecognized non-cash share-based compensation expense to be recognized accordingly. Unrecognized share-based compensation expense as of December 31, 2020, and June 30, 2021, was $318.7 million and $348.9 million, respectively. For more information on share-based compensation, see Note 9, Stockholders' Equity, to our condensed consolidated financial statements as of June 30, 2021, and Note 10, Stockholders' Equity, to our consolidated financial statements as of December 31, 2020, both of which are included elsewhere in this prospectus.

Unaudited Quarterly Results

The following table sets forth certain financial and operating information for each of our fiscal quarters since the first quarter of 2019. We have prepared the following unaudited quarterly financial information on the same basis as our audited consolidated financial statements and have included all adjustments, consisting only of normal recurring adjustments that in our opinion are necessary to fairly state the financial information set forth in those statements. This information should be read in conjunction with the audited consolidated financial statements and related notes thereto included elsewhere in this prospectus.

	Three Months Ended									
	Mar. 31, 2019	June 30, 2019	Sept. 30, 2019	Dec. 31, 2019	Mar. 31, 2020	June 30, 2020	Sept. 30, 2020	Dec. 31, 2020	Mar. 31, 2021	June 30, 2021
Membership Data										
Center memberships	845,654	870,237	867,139	853,748	847,161	708,739	572,811	500,948	544,216	657,737
Digital On-hold memberships	90,835	84,231	85,474	90,299	103,022	176,575	234,381	248,641	196,746	101,983
Total memberships	936,489	954,468	952,613	944,047	950,183	885,314	807,192	749,589	740,962	759,720
Revenue Data ($ in thousands)										
Membership dues and enrollment fees	65.1%	64.3%	65.2%	66.5%	66.0%	73.4%	74.3%	71.5%	71.5%	68.6%
In-center revenue	34.9%	35.7%	34.8%	33.5%	34.0%	26.6%	25.7%	28.5%	28.5%	31.4%
Total center revenue	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Average center revenue per center membership	$ 532	$ 550	$ 555	$ 531	$ 460	$ 101	$ 349	$ 414	$ 459	$ 525
Comparable center sales	1.9%	2.4%	3.3%	3.2%	(15.1)%	(84.2)%	(55.0)%	(52.2)%	(39.4)%	295.1%
Center Data										
Net new center openings	2	(2)	2	3	2	0	0	1	1	3
Total centers end of period	143	141	143	146	148	148	148	149	150	153
Total center square footage (end of period)	14,000,000	14,000,000	14,200,000	14,600,000	14,700,000	14,700,000	14,700,000	14,800,000	14,900,000	15,000,000
GAAP, Non-GAAP and Other Financial Measures										
($ in thousands)										
Net income (loss)	$ 9,450	$ 11,463	$ 2,050	$ 7,062	$ (29,055)	$ (153,602)	$ (93,649)	$ (83,886)	$ (152,801)	$ (76,356)
Net income (loss) margin	2.1%	2.4%	0.4%	1.5%	(7.1)%	(190.6)%	(40.5)%	(36.7)%	(61.3)%	(23.6)%
Adjusted EBITDA (1)	$ 100,746	$ 111,318	$ 119,555	$ 106,314	$ 62,842	$ (95,339)	$ (12,441)	$ (18,028)	$ (18,947)	$ 4,193
Adjusted EBITDA margin (2)	22.2%	23.1%	24.0%	22.8%	15.4%	(118.3)%	(5.4)%	(7.9)%	(7.6)%	1.3%
Center operations	250,906	266,617	271,501	252,109	261,457	88,321	165,573	144,695	174,617	218,711
Pre-opening expenses (3)	1,866	2,358	4,990	5,068	3,449	1,038	721	2,255	2,560	2,111
Rent	39,819	41,487	41,964	42,695	44,527	46,404	47,542	47,784	50,517	51,522
Non-cash rent expense (4)	4,917	5,248	5,958	6,398	6,991	19,316	8,181	2,616	4,323	1,896
Net cash provided by (used in) operating activities	$ 84,380	$ 97,047	$ 108,364	$ 68,927	$ 82,469	$ (126,845)	$ (11,789)	$ (39,816)	$ (38,156)	$ 25,177
Free cash flow before growth Capital expenditures (5)	$ 45,324	$ 42,737	$ 66,676	$ 22,742	$ 40,054	$ (153,753)	$ (31,567)	$ (52,175)	$ (53,915)	$ (6,910)

(1) The following table provides a reconciliation of net income (loss), the most directly comparable GAAP measure, to Adjusted EBITDA:

	Three Months Ended									
	Mar. 31, 2019	June 30, 2019	Sept. 30, 2019	Dec. 31, 2019	Mar. 31, 2020	June 30, 2020	Sept. 30, 2020	Dec. 31, 2020	Mar. 31, 2021	June 30, 2021
Net income (loss)	9,468	11,469	2,050	7,062	(29,055)	(153,602)	(93,649)	(83,886)	(152,801)	(76,356)
Interest expense, net	33,449	32,121	31,615	31,770	32,685	32,072	30,967	32,670	96,217	40,078
Provision for (benefit from) income taxes	3,656	4,547	2,018	(141)	(23,471)	(47,546)	(28,080)	(28,441)	(25,953)	(20,933)
Depreciation and amortization	54,147	54,402	55,802	56,117	64,931	62,193	61,359	59,210	61,206	57,822
Share-based compensation expense	—	279	23,024	849	—	—	—	—	—	2,881
COVID-19 related expenses [a]	—	—	—	—	24,051	8,232	17,029	(129)	298	(486)
Gain (loss) on sale-leaseback transactions [b]	(157)	—	—	—	(3,609)	531	—	(4,157)	798	33
Capital transaction costs [c]	208	190	5,877	22	58	—	38	—	—	—
Legal settlements [d]	—	8,317	42	—	(2,748)	2,781	312	—	—	—
Asset impairments [e]	—	—	—	10,127	—	—	—	7,475	—	—
Other [f]	(25)	(7)	(873)	508	—	—	(417)	(770)	1,288	1,154
Adjusted EBITDA	**$ 100,746**	**$ 111,318**	**$ 119,555**	**$ 106,314**	**$ 62,842**	**$ (95,339)**	**$ (12,441)**	**$ (18,028)**	**$ (18,947)**	**$ 4,193**

(a) Represents the incremental expenses we incurred related to the COVID-19 pandemic. They consist primarily of project cost write-offs for sites no longer deemed viable as a result of COVID-19, the employee portion of health care coverage which is normally paid by employees but was paid by us during this period on behalf of our employees, emergency leave and non-working payroll to our employees while our centers were closed, severance as a result of headcount reduction actions taken in response to COVID-19, charitable contributions made to support our employees who were directly impacted by COVID-19, net of the recovery of certain expenses under the CARES Act.

(b) We adjust for the impact of gains or losses on the sale-leaseback of our properties as they do not reflect costs associated with our ongoing operations.

(c) Represents one-time costs related to capital transactions, including debt and equity offerings that are non-recurring in nature.

(d) We adjust for the impact of large class action and unusual legal settlements paid or recoveries received. These are non-recurring in nature and do not reflect costs associated with our normal ongoing operations.

(e) Represents non-cash asset impairments of our long-lived and intangible assets.

(f) Includes non-recurring and unusual expenses that do not reflect costs associated with our ongoing operations. They are primarily comprised of corporate restructuring charges and executive level severance.

(2) Adjusted EBITDA margin is calculated as Adjusted EBITDA divided by total revenue.

(3) Represents non-capital expenditures associated with opening new centers which are incurred prior to the commencement of a new center opening. The number of centers under construction or development, the types of centers and our costs associated with any particular center opening can vary significantly from period to period.

(4) Reflects the non-cash portion of our annual GAAP operating lease expense that is greater or less than the cash operating lease payments.

(5) The following table provides a reconciliation of Cash provided by (used in) operating activities, the most directly comparable GAAP measure, to Free cash flow before growth capital expenditures:

	Three Months Ended									
	Mar. 31, 2019	June 30, 2019	Sept. 30, 2019	Dec. 31, 2019	Mar. 31, 2020	June 30, 2020	Sept. 30, 2020	Dec. 31, 2020	Mar. 31, 2021	June 30, 2021
Cash provided by (used in) operating activities	$ 84,380	$ 97,047	$ 108,364	$ 68,927	$ 82,469	$ (126,845)	$ (11,789)	$ (39,816)	$ (38,156)	$ 25,117
Center maintenance and remodel capital expenditures	(24,277)	(38,039)	(24,895)	(20,401)	(14,679)	(9,573)	(4,823)	(3,036)	(7,692)	(17,275)
Corporate capital expenditures	(14,779)	(16,271)	(16,793)	(25,784)	(27,736)	(17,335)	(14,955)	(9,323)	(8,067)	(14,752)
Free cash flow before growth capital expenditures	$ 45,324	$ 42,737	$ 66,676	$ 22,742	$ 40,054	$ (153,753)	$ (31,567)	$ (52,175)	$ (53,915)	$ (6,910)

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States ("GAAP") requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Ultimate results could differ from those estimates. In recording transactions and balances resulting from business operations, we use estimates based on the best information available. We revise the recorded estimates when better information is available, facts change, or we can determine actual amounts. These revisions can affect operating results. We have identified below the following accounting policies that we consider to be critical.

Impairment of Goodwill and Indefinite-Lived Intangible Assets

We assess the recoverability of goodwill and indefinite-lived intangible assets, such as our Life Time trade name, on an annual basis, or more often if circumstances warrant. We assess the recoverability of goodwill by estimating the fair value of the reporting unit to which the goodwill relates and comparing this fair value to the net book value of the reporting unit. We assess the recoverability of the Life Time trade name through the use of the relief from royalty valuation method. If the fair value of goodwill or indefinite-lived intangible assets is less than net book value, we reduce the book value accordingly and record a corresponding impairment loss. Our policy is to test goodwill and indefinite-lived intangible assets for impairment on October 1 of each year. The valuation of goodwill and indefinite-lived intangible assets requires assumptions and estimates of many critical factors, including revenue and market growth, operating margins, membership trends, strategic initiatives, royalty rates and discount rates. A significant change in the factors noted above could cause us to reduce the estimated fair value of some or all of our reporting units or indefinite-lived intangible assets and recognize a corresponding impairment of our goodwill and indefinite-lived intangible assets in connection with a future impairment test. Adverse changes in strategy, market conditions or assumed market capitalization may result in an impairment of goodwill. Based upon our review and analysis, no material impairments of goodwill or indefinite-lived intangible assets were deemed to have occurred during any of the periods presented.

Impairment of Long-lived Assets

We test long-lived asset groups for impairment when events or circumstances indicate that the net book value of the asset group may not be recoverable. A long-lived asset group may include property and equipment, finite-lived intangible assets and/or operating lease right-of-use assets. We consider a history of consistent and significant operating losses, or the inability to recover net book value over the remaining useful life, to be our primary indicators of potential impairment. Judgments regarding existence of impairment indicators are based on factors such as operational performance (including revenue and expense growth rates), market conditions, and expected holding period of the primary asset associated with each asset group. We evaluate long-lived asset groups for impairment at the lowest levels for which there are identifiable cash flows, which is generally at an individual center or ancillary business level. The determination of whether impairment has occurred is based on an estimate of undiscounted future cash flows directly related to that center or ancillary business, compared to the

carrying value of the related assets. If an impairment has occurred, the amount of impairment recognized is determined by estimating the fair value of these assets and recording a loss if the carrying value is greater than the fair value. Worsening operational performance, market conditions or change in expected holding periods of each asset may cause us to re-evaluate the assumptions used in management's analysis. Based upon our review and analysis, no material impairments of long-lived assets were deemed to have occurred during any of the periods presented.

Results of Operations

Three Months Ended June 30, 2020 Compared to Three Months Ended June 30, 2021

The following table sets forth our condensed consolidated statements of operations data (amounts in thousands) and data as a percentage of total revenue for the periods indicated:

	Three Months Ended June 30,			
			As a Percentage of Total Revenue	
	2020	2021	2020	2021
Revenue:				
Center revenue	$ 78,847	$ 316,596	97.8%	98.0%
Other revenue	1,738	6,591	2.2%	2.0%
Total revenue	80,585	323,187	100.0%	100.0%
Operating expenses:				
Center operations	88,321	218,711	109.6%	67.7%
Rent	46,404	51,522	57.6%	15.9%
General, administrative and marketing	36,443	43,322	45.2%	13.4%
Depreciation and amortization	62,193	57,822	77.1%	17.9%
Other operating	16,003	8,930	19.9%	2.8%
Total operating expenses	249,364	380,307	309.4%	117.7%
Loss from operations	(168,779)	(57,120)	(209.4)%	(17.7)%
Other income (expense):				
Interest expense, net of interest income	(32,072)	(40,078)	(39.8)%	(12.4)%
Equity in earnings of affiliate	(297)	(91)	(0.4)%	0.0%
Total other expense	(32,369)	(40,169)	(40.2)%	(12.4)%
Loss before income taxes	(201,148)	(97,289)	(249.6)%	(30.1)%
Benefit from income taxes	(47,546)	(20,933)	(59.0)%	(6.5)%
Net loss	(153,602)	(76,356)	(190.6)%	(23.6)%
Non-controlling interest	—	—	0.0%	0.0%
Net Loss Attributable to Life Time Group Holdings, Inc.	$ (153,602)	$ (76,356)	(190.6)%	(23.6)%

Total revenue. The $242.6 million increase in Total revenue for the three months ended June 30, 2021 compared to the three months ended June 30, 2020 reflects the adverse economic impact that our center closures had on our business during the three months ended June 30, 2020 as well as the timing of the subsequent reopening of our centers.

With respect to the $237.7 million increase in Center revenue for the three months ended June 30, 2021 compared to the three months ended June 30, 2020:

- 67.0% was from membership dues and enrollment fees, which increased $159.4 million for the three months ended June 30, 2021 as compared to the three months ended June 30, 2020. This increase reflects the

adverse economic impact that our center closures, which resulted from COVID-19, had on our business during the three months ended June 30, 2020 as well as the timing of the subsequent reopening of our centers; and

- 33.0% was from in-center revenue, which increased $78.3 million for the three months ended June 30, 2021 as compared to the three months ended June 30, 2020. This increase was recognized across all of our primary in-center businesses and reflects the adverse economic impact that our center closures, which resulted from COVID-19, had on our business during the three months ended June 30, 2020 as well as the timing of the subsequent reopening of our centers.

The $4.9 million increase in Other revenue for the three months ended June 30, 2021 as compared to the three months ended June 30, 2020 was primarily driven by athletic event cancellations caused by COVID-19, which had a negative impact on sales of media, race and timing-related technology, as well as event-related registration fees during the three months ended June 30, 2020.

Center operations expenses. The $130.4 million increase in Center operations expenses for the three months ended June 30, 2021 as compared to the three months ended June 30, 2020 was primarily driven by $96.1 million in increased labor costs and $18.8 million in increased facility costs resulting from the subsequent reopening of our centers, as well as an increase in costs of goods sold and general operating expenses for our centers.

Rent expense. The $5.1 million increase in Rent expense for the three months ended June 30, 2021 as compared to the three months ended June 30, 2020 was primarily driven by the timing of sale-leaseback transactions that were consummated during both the current and prior year.

General, administrative and marketing expenses. The $6.9 million increase in General, administrative and marketing expenses for the three months ended June 30, 2021 as compared to the three months ended June 30, 2020 was primarily driven by a $5.9 million increase in general and administrative costs to support the increase in memberships and revenue and a $5.7 million increase in marketing expenses, as well as a $2.9 million increase in share-based compensation, offset by $7.6 million of corporate COVID-19 expenses incurred in 2020.

Depreciation and amortization. The $4.4 million decrease in Depreciation and amortization for the three months ended June 30, 2021 as compared to the three months ended June 30, 2020 consists of $2.8 million and $1.6 million lower depreciation and amortization, respectively.

Other operating expenses. The $7.1 million decrease in Other operating expenses for the three months ended June 30, 2021 as compared to the three months ended June 30, 2020 was primarily attributable to project cost write-offs in 2020 for sites no longer deemed viable as a result of COVID-19.

Interest expense, net. The $8.0 million increase in Interest expense, net of interest income for the three months ended June 30, 2021 as compared to the three months ended June 30, 2020 reflects a relatively higher effective weighted average interest rate on an increased average level of outstanding borrowings during the three months ended June 30, 2021 compared to the three months ended June 30, 2020.

Benefit from income taxes. The benefit from income taxes was $20.9 million for the three months ended June 30, 2021 compared to $47.5 million for the three months ended June 30, 2020. The effective tax rate was 21.5% and 23.6% for those same periods, respectively. The change in benefit from income taxes was primarily attributable to lower loss before income taxes for the three months ended June 30, 2021 as compared to the three months ended June 30, 2020, and the favorable federal tax rate differential from the net operating loss carryback claims filed in 2020 under the CARES Act. The favorable federal tax rate differential was due to the net operating losses generated in tax years with a federal tax rate of 21% whereas the losses were carried back to tax years with a federal tax rate of 35%.

Net loss. As a result of the factors described above, net loss decreased by $77.2 million for the three months ended June 30, 2021 as compared to the three months ended June 30, 2020.

Six Months Ended June 30, 2020 Compared to Six Months Ended June 30, 2021

The following table sets forth our condensed consolidated statements of operations data (amounts in thousands) and data as a percentage of total revenue for the periods indicated:

	Six Months Ended June 30,			
			As a Percentage of Total Revenue	
	2020	2021	2020	2021
Revenue:				
Center revenue	$ 476,570	$ 561,690	97.5%	98.1%
Other revenue	12,310	10,795	2.5%	1.9%
Total revenue	488,880	572,485	100.0%	100.0%
Operating expenses:				
Center operations	349,778	393,326	71.5%	68.7%
Rent	90,931	102,039	18.6%	17.8%
General, administrative and marketing	87,461	81,592	17.9%	14.2%
Depreciation and amortization	127,124	119,028	26.0%	20.8%
Other operating	22,260	15,864	4.6%	2.8%
Total operating expenses	677,554	711,849	138.6%	124.3%
Loss from operations	(188,674)	(139,364)	(38.6)%	(24.3)%
Other income (expense):				
Interest expense, net of interest income	(64,757)	(136,295)	(13.3)%	(23.8)%
Equity in earnings of affiliate	(243)	(384)	0.0%	(0.1)%
Total other expense	(65,000)	(136,679)	(13.3)%	(23.9)%
Loss before income taxes	(253,674)	(276,043)	(51.9)%	(48.2)%
Benefit from income taxes	(71,017)	(46,886)	(14.5)%	(8.2)%
Net loss	(182,657)	(229,157)	(37.4)%	(40.0)%
Non-controlling interest	—	—	0.0%	0.0%
Net Loss Attributable to Life Time Group Holdings, Inc.	$(182,657)	$(229,157)	(37.4)%	(40.0)%

Total revenue. The $83.6 million increase in Total revenue for the six months ended June 30, 2021 compared to the six months ended June 30, 2020 reflects the adverse economic impact that our center closures had on our business during the six months ended June 30, 2020 as well as the timing of the subsequent reopening of our centers.

With respect to the $85.1 million increase in Center revenue for the six months ended June 30, 2021 compared to the six months ended June 30, 2020:

- 84.6% was from membership dues and enrollment fees, which increased $72.0 million for the six months ended June 30, 2021 as compared to the six months ended June 30, 2020. This increase reflects the adverse economic impact that our center closures, which resulted from COVID-19, had on our business during the six months ended June 30, 2020 as well as the timing of the subsequent reopening of our centers; and
- 15.4% was from in-center revenue, which increased $13.1 million for the six months ended June 30, 2021 as compared to the six months ended June 30, 2020. This increase was recognized across all of our primary in-center businesses and reflects the adverse economic impact that our center closures, which resulted from COVID-19, had on our business during the six months ended June 30, 2020 as well as the timing of the subsequent reopening of our centers.

The $1.5 million decrease in Other revenue for the six months ended June 30, 2021 as compared to the six months ended June 30, 2020 was primarily driven by the negative impact COVID-19 had on sales of race and timing-related technology.

Center operations expenses. The $43.5 million increase in Center operations expenses for the six months ended June 30, 2021 as compared to the six months ended June 30, 2020 was primarily driven by $35.3 million in increased labor costs and $16.6 million in increased facility costs resulting from the subsequent reopening of our centers, partially offset by approximately $5.6 million of credit card fees associated with increased revenue from our re-opened centers.

Rent expense. The $11.1 million increase in Rent expense for the six months ended June 30, 2021 as compared to the six months ended June 30, 2020 was primarily driven by the timing of sale-leaseback transactions that were consummated during both the current and prior year.

General, administrative and marketing expenses. The $5.9 million decrease in General, administrative and marketing expenses for the six months ended June 30, 2021 as compared to the six months ended June 30, 2020 was primarily driven by $10.3 million of corporate COVID-19 expenses incurred in 2020, offset by a $2.9 million increase in share-based compensation and a $1.5 million increase in corporate and other non-recurring expenses.

Depreciation and amortization. The $8.1 million decrease in Depreciation and amortization for the six months ended June 30, 2021 as compared to the six months ended June 30, 2020 consists of $4.5 million and $3.6 million lower depreciation and amortization, respectively.

Other operating expenses. The $6.4 million decrease in Other operating expenses for the six months ended June 30, 2021 as compared to the six months ended June 30, 2020 was primarily attributable to project cost write-offs in 2020 for sites no longer deemed viable as a result of COVID-19.

Interest expense, net. The $71.5 million increase in Interest expense, net of interest income for the six months ended June 30, 2021 as compared to the six months ended June 30, 2020 was primarily driven by debt issuance costs and original issuance discount costs associated with extinguished debt instruments that were written off during the six months ended June 30, 2021, including a $41.0 million non-cash expense recognized related to the conversion of our related party secured loan into Series A Preferred Stock. Additionally, the increase also reflects a relatively higher effective weighted average interest rate on an increased average level of outstanding borrowings during the six months ended June 30, 2021 compared to the six months ended June 30, 2020.

Benefit from income taxes. The benefit from income taxes was $46.9 million for the six months ended June 30, 2021 compared to $71.0 million for the six months ended June 30, 2020. The effective tax rate was 17.0% and 28.0% for those same periods, respectively. The change in benefit from income taxes was primarily attributable to the $41.0 million loss related to the extinguishment of our related party secured loan that we recognized for GAAP purposes during the six months ended June 30, 2021 that is not recognized for tax purposes, as well as the favorable federal tax rate differential from the net operating loss carryback claims filed in 2020 under the CARES Act. The favorable federal tax rate differential was due to the net operating losses generated in tax years with a federal tax rate of 21% whereas the losses were carried back to tax years with a federal tax rate of 35%.

Net loss. As a result of the factors described above, net loss increased by $46.5 million for the six months ended June 30, 2021 as compared to the six months ended June 30, 2020.

Year Ended December 31, 2019 Compared to Year Ended December 31, 2020

The following table sets forth our consolidated statements of operations data (amounts in thousands) and data as a percentage of total revenue for the periods indicated:

	For the Year Ended December 31,			
			As a Percentage of Total Revenue	
	2019	2020	2019	2020
Revenue:				
Center revenue	$ 1,851,345	$ 929,966	97.4%	98.1%
Other revenue	49,026	18,413	2.6%	1.9%
Total revenue	1,900,371	948,379	100.0%	100.0%
Operating expenses:				
Center operations	1,041,133	660,046	54.8%	69.6%
Rent	165,965	186,257	8.7%	19.6%
General, administrative and marketing	227,684	149,898	12.0%	15.8%
Depreciation and amortization	220,468	247,693	11.6%	26.1%
Other operating	76,842	63,634	4.0%	6.7%
Total operating expenses	1,732,092	1,307,528	91.1%	137.8%
Income (Loss) from operations	168,279	(359,149)	8.9%	(37.8)%
Other income (expense):				
Interest expense, net of interest income	(128,955)	(128,394)	(6.8)%	(13.5)%
Equity in earnings of affiliate	805	(187)	0.0%	0.0%
Total other expense	(128,150)	(128,581)	(6.8)%	(13.5)%
Income (Loss) before income taxes	40,129	(487,730)	2.1%	(51.3)%
Provision for (Benefit from) income taxes	10,080	(127,538)	0.5%	(13.3)%
Net income (loss)	30,049	(360,192)	1.6%	(38.0)%
Non-controlling interest	24	—	0.0%	0.0%
Net income (loss) attributable to Life Time Group Holdings, Inc.	$ 30,025	$ (360,192)	1.6%	(38.0)%

Total revenue. The $952.0 million decrease in Total revenue for the year ended December 31, 2020 as compared to the year ended December 31, 2019 reflects the adverse economic impact that our center closures, which resulted from COVID-19, had on our business as well as the timing of the subsequent reopening of our centers.

With respect to the $921.4 million decrease in Center revenue for the year ended December 31, 2020 as compared to the year ended December 31, 2019:

- 60.5% was from membership dues and enrollment fees, which decreased $557.3 million for the year ended December 31, 2020 as compared to the year ended December 31, 2019 due to the adverse economic impact that our center closures, which resulted from COVID-19, had on our business as well as the timing of the subsequent reopening of our centers; and
- 39.5% was from in-center revenue, which decreased $364.1 million for the year ended December 31, 2020 as compared to the year ended December 31, 2019 due to a decline across all of our primary in-center businesses, as a result of our center closures, which resulted fromCOVID-19, as well as the timing of the subsequent reopening of our centers.

The $30.6 million decrease in Other revenue for the year ended December 31, 2020 as compared to the year ended December 31, 2019 was primarily driven by athletic event cancellations caused by COVID-19, which had a negative impact on sales of media, race and timing-related technology, as well as event-related registration fees.

Center operations expenses. The $381.1 million decrease in Center operations expenses for the year ended December 31, 2020 as compared to the year ended December 31, 2019 was primarily the result of $290.7 million in decreased labor costs, $38.8 million in decreased cost of goods sold, $23.2 million in reduced facility costs and $17.8 million in reduced credit card fees as a result of center closures and lower Center revenue, which resulted from COVID-19.

Rent expense. The $20.3 million increase in Rent expense for the year ended December 31, 2020 as compared to the year ended December 31, 2019 was primarily driven by the sale-leaseback transactions that were consummated during 2020, as well as the timing of other property leases that commenced during 2020 and the prior year.

General, administrative and marketing expenses. The $77.8 million decrease in General, administrative and marketing expenses for the year ended December 31, 2020 as compared to the year ended December 31, 2019 was primarily driven by a reduction of expenses of $26.9 million, which was primarily the result of lower salaries and wages associated with our furloughed employees, as well as corporate headcount reduction actions that we took during 2020, and a reduction in our advertising and marketing spend of approximately $22.7 million as a result of our continued efforts to control expenses in light of COVID-19. In addition, in 2019, we incurred $23.0 million of additional share-based compensation as part of a voluntary stock option purchase offer, as well as $5.2 million of costs related to the sale of newly issued common stock to a minority investor group.

Depreciation and amortization. The $27.2 million increase in Depreciation and amortization for the year ended December 31, 2020 as compared to the year ended December 31, 2019 consists of $31.4 million higher depreciation, partially offset by $4.2 million lower amortization.

Other operating expenses. The $13.2 million decrease in Other operating expenses for the year ended December 31, 2020 as compared to the year ended December 31, 2019 was primarily attributable to the decline in sales of race and timing-related technology, as well as the decline in media sales, which was driven by the cancellation of athletic events as a result of COVID-19.

Interest expense, net. The $0.6 million decrease in Interest expense, net for the year ended December 31, 2020 as compared to the year ended December 31, 2019 reflects the decrease in the LIBOR during the year ended December 31, 2020 as compared to the year ended December 31, 2019, partially offset by interest associated with new borrowings under a secured loan with related parties during 2020 and a relatively lower level of capitalized interest on lower construction spending during the year ended December 31, 2020 as compared to the year ended December 31, 2019.

Provision for (Benefit from) income taxes. The benefit from income taxes was $127.5 million for the year ended December 31, 2020 as compared to the $10.1 million provision for income taxes for the year ended December 31, 2019. The benefit from income taxes for the year ended December 31, 2020 was primarily driven by the loss before income taxes. The effective tax rate was 25.1% and 26.1% for December 31, 2019 and December 31, 2020, respectively. The change in effective tax rate for the year ended December 31, 2020 as compared to the year ended December 31, 2019 reflects an increase in the overall effective state rate during the year ended December 31, 2020.

Net income (loss). As a result of the factors described above, net loss was $360.2 million for the year ended December 31, 2020, compared to net income of $30.0 million for the year ended December 31, 2019.

Net income attributable to noncontrolling interest. Net income attributable to noncontrolling interest, which represents the stated dividends associated with the underlying preferred shares of Massage Retreat & Spa, Inc. ("MR&S"), was less than $0.1 million and $0.0 million for the years ended December 31, 2019 and 2020, respectively.

Year Ended December 31, 2018 Compared to Year Ended December 31, 2019

The following table sets forth our consolidated statements of operations data (amounts in thousands) and data as a percentage of total revenue for the periods indicated:

	For the Year Ended December 31,			
			As a Percentage of Total Revenue	
	2018	2019	2018	2019
Revenue:				
Center revenue	$ 1,701,600	$ 1,851,345	97.3%	97.4%
Other revenue	47,693	49,026	2.7%	2.6%
Total revenue	1,749,293	1,900,371	100.0%	100.0%
Operating expenses:				
Center operations	950,585	1,041,133	54.3%	54.8%
Rent	124,895	165,965	7.1%	8.7%
General, administrative and marketing	196,693	227,684	11.2%	12.0%
Depreciation and amortization	211,451	220,468	12.1%	11.6%
Other operating	69,195	76,842	4.0%	4.0%
Total operating expenses	1,552,819	1,732,092	88.7%	91.1%
Income from operations	196,474	168,279	11.3%	8.9%
Other income (expense):				
Interest expense, net of interest income	$ (136,176)	$ (128,955)	(7.8)%	(6.8)%
Equity in earnings of affiliate	814	805	0.0%	0.0%
Total other expense	(135,362)	(128,150)	(7.8)%	(6.8)%
Income before income taxes	61,112	40,129	3.5%	2.1%
Provision for income taxes	20,170	10,080	1.2%	0.5%
Net income	40,942	30,049	2.3%	1.6%
Non-controlling interest	54	24	0.0%	0.0%
Net income attributable to Life Time Group Holdings, Inc.	$ 40,888	$ 30,025	2.3%	1.6%

Total revenue. Total revenue increased $151.1 million for the year ended December 31, 2019 as compared to the year ended December 31, 2018.

With respect to the $149.8 million increase in Center revenue for the year ended December 31, 2019 as compared to the year ended December 31, 2018:

- 63.7% was from membership dues and enrollment fees, which increased $95.4 million for the year ended December 31, 2019 as compared to the year ended December 31, 2018 primarily due to $81.4 million from new centers. Membership dues associated with our comparable centers also increased, primarily due to higher average dues and membership growth; and
- 36.3% was from in-center revenue, which increased $54.3 million for the year ended December 31, 2019 as compared to the year ended December 31, 2018, reflecting strong performance across all of our primary in-center businesses.

Other revenue increased $1.3 million for the year ended December 31, 2019 as compared to the year ended December 31, 2018.

Center operations expenses. The $90.6 million increase in Center operations expenses for the year ended December 31, 2019 as compared to the year ended December 31, 2018 was primarily due to $69.1 million in increased labor, $10.7 million in increased cost of goods sold, and high general center operating expenses, each associated with new centers.

Rent expense. The $41.1 million increase in Rent expense for the year ended December 31, 2019 as compared to the year ended December 31, 2018 was driven by the impact of the adoption of Accounting Standards Codification ("ASC") 842 on January 1, 2019, as well as sale-leaseback transactions that occurred during the year ended December 31, 2019. Upon our adoption of ASC 842, financing accounting previously associated with certain build-to-suit leases and sale-leaseback transactions was discontinued, and we began accounting for each of these arrangements as an operating lease.

General, administrative and marketing expenses. The $31.0 million increase in General, administrative and marketing expenses for the year ended December 31, 2019, compared to the year ended December 31, 2018 was primarily the result of additional share-based compensation as part of a voluntary stock option purchase offer, as well as costs related to the sale of newly issued common stock to a minority investor group.

Depreciation and amortization. The $9.0 million increase in Depreciation and amortization for the year ended December 31, 2019 as compared to the year ended December 31, 2018 consisted of $8.0 million higher depreciation and $1.0 million higher amortization. The increase in amortization was driven by new finance lease right-of-use assets recognized during the year ended December 31, 2019, partially offset by decreased amortization associated with intangible assets.

Other operating expenses. The $7.6 million increase in Other operating expenses for the year ended December 31, 2019 as compared to the year ended December 31, 2018 was due to a legal settlement related to a class action lawsuit.

Interest expense, net. The $7.2 million decrease in Interest expense, net of interest income, for the year ended December 31, 2019 as compared to the year ended December 31, 2018 was primarily driven by the impact of our adoption of ASC 842, whereby financing accounting previously associated with certain build-to-suit lease and sale-leaseback transactions was discontinued, partially offset by a relatively higher level of outstanding borrowings under the Credit Facilities as well as an increase in the average LIBOR during the year ended December 31, 2019 as compared to the year ended December 31, 2018.

Provision for income taxes. The provision for income taxes was $10.1 million for the year ended December 31, 2019 as compared to $20.2 million for the year ended December 31, 2018. The effective tax rate was 33.0% and 25.1% for the years ended December 31, 2018 and 2019, respectively. The decrease in the income tax rate was primarily driven by the favorable impact of a decreased overall effective state tax rate during the year ended December 31, 2019 on a relatively lower amount of income before taxes as compared to the year ended December 31, 2018. The decrease in the overall effective state tax rate was primarily driven by state apportionment factor true-up adjustments, associated with state income tax return filings for the tax year ended December 31, 2018, that were recognized during the year ended December 31, 2019.

Net income. As a result of the factors described above, net income decreased $10.9 million for the year ended December 31, 2019 as compared to the year ended December 31, 2018.

Net income attributable to noncontrolling interest. Net income attributable to noncontrolling interest, which represents the stated dividends associated with the underlying preferred shares of MR&S, was less than $0.1 million for the years ended December 31, 2018 and 2019.

Liquidity and Capital Resources

Liquidity

Our principal liquidity needs include the development of new centers, debt service and lease requirements, investments in technology and expenditures necessary to maintain and update our centers and associated fitness equipment. We have primarily satisfied our historical liquidity needs with cash flow from operations, drawing on the revolving portion of the Credit Facilities and through sale-leaseback transactions.

We have taken significant action to preserve our liquidity in light of the uncertainty related to the impact of COVID-19 on our future results. See "—Impact of COVID-19 on Our Business." We believe the steps we have taken to strengthen our balance sheet and to reduce our cash outflows leave us well-positioned to manage our business through this pandemic.

As the opportunity arises or as our business needs require, we may seek to raise capital through additional debt financing or through equity financing. There can be no assurance that any such financing would be available on commercially acceptable terms, or at all. To date, we have not experienced difficulty accessing the credit and capital markets; however, volatility in these markets, particularly in light of the impacts of COVID-19, may increase costs associated with issuing debt instruments or affect our ability to access those markets, which could have an adverse impact on our ability to raise additional capital, to refinance existing debt and/or to react to changing economic and business conditions. In addition, it is possible that our ability to access the credit and capital markets could be limited at a time when we would like, or need, to do so, including with respect to the Credit Facilities and the Notes.

As of June 30, 2021, there were no outstanding borrowings under our Revolving Credit Facility and there were $40.8 million of outstanding letters of credit, resulting in total availability under our Revolving Credit Facility, subject to a $100.0 million minimum liquidity requirement, of $217.1 million. Total cash and cash equivalents at June 30, 2021 was $104.2 million, resulting in total cash and availability under our Revolving Credit Facility of $321.3 million. As of June 30, 2021, we were either in compliance in all material respects with the covenants under the Credit Facilities and the Notes or the covenants were not applicable.

The following table sets forth our consolidated statements of cash flows data (amounts in thousands):

	For the Year Ended December 31,			Six Months Ended June 30,	
	2018	2019	2020	2020	2021
Net cash provided by (used in) operating activities	$ 336,193	$ 358,718	$ (95,981)	$ (44,376)	$ (13,039)
Net cash (used in) provided by investing activities	(613,843)	(477,814)	(6,115)	(19,539)	(89,718)
Net cash provided by financing activities	269,689	133,316	87,395	106,192	173,712
Effect of exchange rate on cash and cash equivalents	(217)	208	(55)	(258)	50
Increase (decrease) in cash and cash equivalents	$ (8,178)	$ 14,428	$ (14,756)	$ 42,019	$ 71,005

Operating Activities

The $22.5 million increase in net cash provided by operating activities for the year December 31, 2019 as compared to the year ended December 31, 2018 was primarily due to higher cash earnings due to higher net income as a result of our new centers.

The $454.7 million increase in net cash used in operating activities for the year December 31, 2020 as compared to the year ended December 31, 2019 was primarily due to lower cash earnings, which reflects the adverse economic impact that COVID-19 has had on our business.

The $31.3 million decrease in net cash used in operating activities for the six months ended June 30, 2021 as compared to the six months ended June 30, 2020 was primarily due to lower cash earnings in 2020 due to center closures as a result of the impact that COVID-19 has had on our business.

Investing Activities

Investing activities consist primarily of purchasing real property, constructing new centers, acquisitions and purchasing new fitness equipment. In addition, we invest in capital expenditures to maintain and update our existing centers. We finance the purchase of our property and equipment through operating cash flows, draws on our Revolving Credit Facility, tenant allowances and proceeds from sale-leaseback transactions.

The $136.0 million decrease in net cash used in investing activities for the year December 31, 2019 as compared to the year ended December 31, 2018 was primarily driven by proceeds we received during the year ended December 31, 2019 from sale-leaseback transactions as well as reimbursement of construction costs.

The $471.7 million decrease in net cash used in investing activities for the year December 31, 2020 as compared to the year ended December 31, 2019 was primarily driven by a relatively lower level of new center construction activity, as well as a relatively higher amount of proceeds that we received from sale-leaseback transactions during the year ended December 31, 2020 as compared to the year ended December 31, 2019. Additionally, we received $23.0 million of proceeds from the sale of land held for sale during the year ended December 31, 2020.

The $70.2 million increase in cash used in investing activities for the six months ended June 30, 2021 as compared to the six months ended June 30, 2020 was primarily driven by a relatively higher amount of proceeds that we received from landlords for sale-leaseback transactions during the six months ended June 30, 2020 as compared to the six months ended June 30, 2021, partially offset by a relatively lower level of new center construction activity during the six months ended June 30, 2021 compared to the six months ended June 30, 2020.

Prior to our adoption of ASC 842, all payments we made in connection with construction costs incurred under build-to-suit arrangements, including reimbursable costs, were included in Capital expenditures within the investing section of our consolidated cash flow statements. In addition, the proceeds we received from landlords for reimbursement of construction costs were reported in Proceeds from financing obligations within the financing section on our consolidated statements of cash flows. Upon our adoption of ASC 842 effective January 1, 2019, financing accounting previously associated with some of our build-to-suit lease arrangements was discontinued, and we began accounting for each of these arrangements as an operating lease. Accordingly, effective as of the ASC 842 adoption date, proceeds we have since received from landlords for reimbursement of construction costs are no longer grossed up on our either our consolidated balance sheets or in our consolidated statements of cash flows. Rather, the proceeds are netted against the related payments, for both accounting and reporting purposes.

We received proceeds from landlords in connection with construction cost reimbursements totaling $69.1 million and $78.9 million during the year ended December 31, 2019 and 2020, respectively.

The following schedule reflects gross capital expenditures by type of expenditure (in thousands):

	For the Year Ended December 31,			Six Months Ended June 30,	
	2018	2019	2020	2020	2021
Growth capital expenditures (New center land and construction, growth initiatives and the purchase of previously leased centers)	$ 457,072	$ 442,778	$ 164,157	$ 98,969	$ 74,187
Center maintenance and remodel capital expenditures	109,142	107,612	32,111	24,252	24,967
Corporate capital expenditures	38,612	73,627	69,349	45,071	22,819
Total gross capital expenditures	$ 604,826	$ 624,017	$ 265,617	$ 168,292	$ 121,973

During the year ended December 31, 2019, we spent approximately $34.4 million in business acquisition- related costs to acquire a health club business, a commercial plumbing and mechanical contracting business and a cycling event. Also during the year ended December 31, 2019, we made a capital contribution of approximately $16.2 million in exchange for our 50% membership interest in a joint venture. During the year ended December 31, 2018, we spent approximately $6.9 million in business acquisition-related costs primarily related to the acquisition of a health club business.

The $278.6 million decrease in gross capital expenditures associated with new center land and construction, growth initiatives and major remodels for the year ended December 31, 2020 as compared to the year ended December 31, 2019 reflects actions we took during the year ended December 31, 2020 to reduce our cash outflows in light of the COVID-19 pandemic.

The $24.8 million decrease in gross capital expenditures associated with new center land and construction, growth initiatives and major remodels for the six months ended June 30, 2021 as compared to the six months ended June 30, 2020 reflects actions we took to reduce our cash outflows in light of the COVID-19 pandemic. Our contracts with construction subcontractors contain clauses that allow us to terminate any project. Therefore, we have the ability to cancel any project and, in the event of such a cancellation, we will only be obligated to pay for work actually performed up to the date of cancellation. Our unpaid obligations to construction subcontractors for work performed up through June 30, 2021 are recognized in Construction accounts payable on our June 30, 2021 condensed consolidated balance sheet.

Financing Activities

Financing activities for the six months ended June 30, 2020 and 2021 and for the years ended December 31, 2018, 2019 and 2020 include net proceeds from and repayments of debt, including those associated with our Credit Facilities. In addition, financing activities for the years ended December 31, 2019 and 2020 include proceeds from equity transactions. For the year ended December 31, 2018, financing activities also include proceeds from and repayments of financing obligations. Upon our adoption of ASC 842, financing accounting previously associated with some of our build-to-suit lease arrangements was discontinued, and we began accounting for each these arrangements as an operating lease.

The $136.4 million decrease in net cash provided by financing activities for the year ended December 31, 2019 as compared to the year ended December 31, 2018 was primarily driven by the timing of proceeds and repayments associated with the Credit Facilities, as well as the impact of our adoption of ASC 842, partially offset by proceeds received as part of a stock purchase agreement consummated during the year ended December 31, 2019 whereby we received $108.6 million in exchange for the new issuance of our common stock.

The $45.9 million decrease in net cash provided by financing activities for the year ended December 31, 2020 as compared to the year ended December 31, 2019 was primarily driven by net repayments made on our

then existing senior secured credit facility during the year ended December 31, 2020, partially offset by proceeds from new borrowings which we received during the year ended December 31, 2020. During the year ended December 31, 2020, we received approximately $101.5 million of proceeds associated with a secured loan from an investor group that is comprised solely of our stockholders or their affiliates, and $15.1 million of proceeds associated with a loan secured by a mortgage on one location.

The $67.5 million increase in net cash provided by financing activities for the six months ended June 30, 2021 compared to the six months ended June 30, 2020 was primarily driven by net proceeds we received from new borrowings during the six months ended June 30, 2021 in connection with debt refinancing transactions, partially offset by proceeds we received from the issuance of our common stock in 2020.

Debt Capitalization

The following table details our debt outstanding as of December 31, 2020 and June 30, 2021:

	December 31, 2020	June 30, 2021
Term Loan Facility, maturing December 2024	$ —	$ 845,750
Prior Term Loan Facility, retired January 2021	1,471,584	—
Prior Revolving Credit Facility, retired January 2021	94,000	—
Secured Notes, maturing January 2026	—	925,000
Unsecured Notes, maturing April 2026	—	475,000
2023 Notes, retired February 2021	450,000	—
Secured loan – related parties, retired January 2021	101,503	—
Mortgage notes, various maturities (1)	167,872	156,844
Other debt	4,289	4,289
Fair value adjustment	2,469	2,143
Total debt	2,291,717	2,409,026
Less unamortized debt issuance costs	(19,121)	(39,815)
Total debt less unamortized issuance costs	2,272,596	2,369,211
Less current maturities	(139,266)	(31,581)
Long-term debt, less current maturities	$2,133,330	$2,337,630

(1) Mortgage notes collateralized by certain related real estate and buildings, due through 2027 at a weighted average interest rate of 4.68% and 4.69% at December 31, 2020 and June 30, 2021, respectively.

Refinancing Transactions

During the six months ended June 30, 2021, LT Inc., an indirect, wholly owned subsidiary of Life Time Group Holdings, Inc., as the borrower and issuer, as applicable, together with certain other wholly owned subsidiaries: (i) refinanced in full the then outstanding balances associated with our previously existing term loan facility (the “Prior Term Loan Facility”) and our previously existing revolving credit facility (the “Prior Revolving Credit Facility”) through net cash proceeds received from the Term Loan Facility that matures in December 2024 as well as the issuance of the Secured Notes that mature in January 2026; (ii) refinanced in full the then existing senior unsecured notes due 2023 (the “2023 Notes”) through proceeds received from the issuance of the Unsecured Notes that mature in April 2026; and (iii) converted our then existing related party secured loan into Series A Preferred Stock.

Credit Facilities

In June 2015, LT Inc. and certain of our other wholly owned subsidiaries entered into a senior secured credit facility with a group of lenders led by Deutsche Bank AG as the administrative agent. On January 22, 2021, LT Inc. and certain of our other wholly owned subsidiaries entered into an eighth amendment to the Credit Agreement. Pursuant to the Credit Agreement, we: (i) incurred new term loans in an aggregate principal amount of $850.0 million under the Term Loan Facility with a maturity of December 2024; (ii) paid off the then outstanding balances associated with the Prior Term Loan Facility and Prior Revolving Credit Facility, and (iii) extended the maturity of $325.2 million of the $357.9 million Prior Revolving Credit Facility to September 2024 under the Revolving Credit Facility.

Upon the exercise of an accordion feature and subject to certain conditions, borrowings under the Credit Facilities may be increased up to an additional $400.0 million (plus additional amounts that may be added upon the satisfaction of certain financial tests) subject, in certain cases, to meeting a first lien net leverage ratio. Our ability to increase our borrowings under the Credit Facilities using this accordion feature is restricted during the Covenant Modification Period. The Credit Facilities are secured by a first priority lien (on a *pari passu* basis with the Secured Notes described below) on substantially all of our assets.

The net cash proceeds received under the Term Loan Facility, as well as from the Secured Notes, were used to: (i) refinance in full the then outstanding balances associated with the Prior Term Loan Facility and the Prior Revolving Credit Facility (details of which are described below under "—Term Loan Facility" and "—Revolving Credit Facility"); (ii) pay debt issuance and original issue discount costs associated with each of these financing transactions (details of which are described in "—Debt Issuance Cost and Original Issue Discount Costs" below); and (iii) strengthen our balance sheet by adding to our cash position.

Term Loan Facility

At both December 31, 2020 and January 22, 2021 (the effective date of the refinancing), the Prior Term Loan Facility balance was $1,471.6 million. Under the Term Loan Facility, LT Inc. incurred new term loans in an aggregate principal amount of $850.0 million, of which $507.6 million represents cash proceeds received and $342.4 million represents the cashless portion of the Prior Term Loan Facility that was rolled over into the Term Loan Facility. On January 22, 2021, we used the net cash proceeds received from the Term Loan Facility, as well as a portion of the net proceeds we received from the Secured Notes, to pay off the remaining $1,129.2 million Prior Term Loan Facility balance.

The $850.0 million Term Loan Facility amortizes at 0.25% quarterly, resulting in mandatory quarterly principal repayments of approximately $2.1 million, and matures in December 2024. At June 30, 2021, the Term Loan Facility loan balance was $845.8 million, with interest due at intervals ranging from 30 to 180 days at interest rates ranging from the London Interbank Offered Rate ("LIBOR") plus 4.75% or base rate plus 3.75%, in either case subject to a 1.00% rate floor.

Revolving Credit Facility

The Prior Revolving Credit Facility provided for a $357.9 million revolver. At December 31, 2020 and January 22, 2021, the Prior Revolving Credit Facility balance was $94.0 million and $109.0 million, respectively. Under the Revolving Credit Facility, we extended the maturity of $325.2 million of the $357.9 million revolver to September 2024. The remaining $32.7 million non-extended portion of our Revolving Credit Facility matures in August 2022. On January 22, 2021, we used a portion of the net proceeds we received from the Notes to pay off the then outstanding $109.0 million Prior Revolving Credit Facility balance.

At June 30, 2021, there were no outstanding borrowings on the Revolving Credit Facility and there were $40.8 million of outstanding letters of credit, resulting in total availability under our Revolving Credit Facility,

subject to a $100.0 million minimum liquidity requirement (see " —Debt Covenants"), of $217.1 million, of which $184.4 million was available at intervals ranging from 30 to 180 days at interest rates ranging from LIBOR plus 4.25% or base rate plus 3.25%, while interest on the remaining $32.7 million was available at intervals ranging from 30 to 180 days at LIBOR plus 3.00% or base rate plus 2.00%.

The weighted average interest rate and debt outstanding under the Revolving Credit Facility for the six months ended June 30, 2021 was 3.22% and $12.9 million, respectively.

Secured Notes

On January 22, 2021, LT Inc. issued the Secured Notes in an aggregate principal amount of $925.0 million. The Secured Notes mature in January 2026 and interest only payments are due semi-annually in arrears at 5.75%. LT Inc. has the option to call the Secured Notes, in whole or in part, on one or more occasions, beginning on January 15, 2023, subject to the payment of a redemption price that includes a call premium that varies depending on the year of redemption. In addition, at any time prior to January 15, 2023, LT Inc. may redeem up to 40% of the aggregate principal amount of the Secured Notes outstanding with the net proceeds of certain equity offerings by us at a redemption price equal to 105.75% of the principal amount of the Secured Notes, plus accrued and unpaid interest, if any, to, but not including, the redemption date. The Secured Notes and the related guarantees are our senior secured obligations and are secured on a first-priority basis by security interests in substantially all of our assets. As of June 30, 2021, $925.0 million remained outstanding on the Secured Notes.

Unsecured Notes

In June 2015, LT Inc. issued the 2023 Notes in the original principal amount of $450.0 million, which were scheduled to mature in June 2023. At both December 31, 2020 and February 5, 2021, $450.0 million remained outstanding on the notes. On February 5, 2021 LT Inc. refinanced the 2023 Notes through the issuance of the Unsecured Notes in the original principal amount of $475.0 million. The Unsecured Notes mature in April 2026 and interest only payments are due semi-annually in arrears at 8.00%. The proceeds from the Unsecured Notes were used to: (i) redeem in full the then outstanding 2023 Notes balance of $450.0 million and satisfy and discharge the obligations thereunder; (ii) pay debt issuance costs associated with the issuance of the Unsecured Notes; and (iii) strengthen our balance sheet by adding to our cash position.

LT Inc. has the option to redeem the Unsecured Notes, in whole or in part, on one or more occasions, beginning on February 1, 2023, subject to the payment of a redemption price that includes a call premium that varies depending on the year of redemption. In addition, at any time prior to February 1, 2023, LT Inc. may redeem up to 40% of the aggregate principal amount of the Unsecured Notes outstanding with the net proceeds of certain equity offerings by us at a redemption price equal to 108.00% of the principal amount of the Unsecured Notes, plus accrued and unpaid interest, if any, to, but not including, the redemption date. The Unsecured Notes and the related guarantees are our general senior unsecured obligations and will rank equally in right of payment with all of our existing and future senior indebtedness without giving effect to collateral arrangements. As of June 30, 2021, $475.0 million remained outstanding on the Unsecured Notes.

Secured Loan – Related Parties

On June 24, 2020, we closed on an approximate $101.5 million secured loan (the "Related Party Secured Loan") from an investor group that is comprised solely of our stockholders or their affiliates. The Related Party Secured Loan was scheduled to mature in June 2021. During the six months ended June 30, 2021, interest expense of approximately $0.7 million was recognized on this secured loan.

On January 11, 2021, we and certain of our subsidiaries and the investor group associated with the Related Party Secured Loan (or their assignees) entered into a contribution agreement (the "Contribution Agreement"),

pursuant to which we converted the total amount of outstanding principal and accrued interest, through and including January 22, 2021, under the Related Party Secured Loan into shares of our Series A Preferred Stock. Effective January 22, 2021, the total outstanding principal amount and accrued interest balance of approximately $108.6 million was conveyed by the investor group to us and we issued, on a dollar-for-dollar basis, shares of our Series A Preferred Stock to such investor group. Pursuant to the terms of the Contribution Agreement, the shares of Series A Preferred Stock accrue paid-in-kind ("PIK") dividends at a rate of 15.0% per year. The Series A Preferred Stock will automatically convert to our common stock in connection with the consummation of this offering.

Immediately following our receipt of the Related Party Secured Loan, we contributed to LT Inc. all of our right, title and interest in and to the Related Party Secured Loan and it was cancelled. The relief of our obligations under the Related Party Secured Loan was recognized as a noncash capital contribution from Life Time Group Holdings, Inc. during the six months ended June 30, 2021, in an amount equal to the total outstanding principal and accrued interest balance of approximately $108.6 million. Accordingly, the capital contribution was recognized as a $108.6 million increase in Additional paid-in capital on our condensed consolidated balance sheet, and the relief of our obligations under the Related Party Secured Loan was recognized as a decrease in Current maturities of debt and Accrued expenses of $101.5 million and $7.1 million, respectively.

Debt Discounts and Issuance Costs

In connection with the Term Loan Facility, the Secured Notes and the Unsecured Notes, we incurred debt discounts and issuance costs totaling approximately $43.9 million during the six months ended June 30, 2021. In our condensed consolidated balance sheets, we recognize and present unamortized debt discounts and issuance costs associated with non-revolving debt as a deduction from the face amount of related indebtedness. Accordingly, as it relates to these debt instruments, unamortized debt discounts and issuance costs of $39.8 million and $19.1 million are included in Long-term debt, net of current portion on our June 30, 2021 and December 31, 2020 condensed consolidated balance sheets, respectively.

In connection with the Prior Term Loan Facility, the 2023 Notes and the Related Party Secured Loan, we had incurred debt discounts and issuance costs totaling $78.6 million. At December 31, 2020, unamortized debt discounts and issuance costs of $19.1 million are included in Long-term debt, net of current portion on our December 31, 2020 consolidated balance sheet. In connection with the extinguishment of these debt instruments during the six months ended June 30, 2021, previously unamortized debt discounts and issuance costs were written off. Accordingly, as it relates to these extinguished debt instruments, we recognized $18.3 million of debt discount and issuance cost write-offs during the six months ended June 30, 2021, which are included in Interest expense, net of interest income in our condensed consolidated statement of operations for the six months ended June 30, 2021.

In connection with both the Revolving Credit Facility and the Prior Revolving Credit Facility, we have incurred total debt issuance costs of $7.4 million, of which $0.8 million were incurred during the six months ended June 30, 2021. As of the January 22, 2021 effective date associated with the Credit Facilities, the borrowing capacity (i.e., the product of the remaining term and the maximum available credit) associated with the Revolving Credit Facility was greater than the borrowing capacity associated with the Prior Revolving Credit Facility. Accordingly, the debt issuance costs incurred in connection with the Revolving Credit Facility, as well as the unamortized portion of the debt issuance costs associated with the Prior Revolving Credit Facility, will be amortized over the term of the Revolving Credit Facility. We recognize and present unamortized issuance costs associated with revolving debt arrangements as an asset. Accordingly, unamortized revolver-related debt issuance costs of $1.8 million and $1.3 million, respectively, are included in Other assets on our condensed consolidated balance sheets at June 30, 2021 and December 31, 2020, respectively.

Debt Covenants

The Credit Agreement and the Indentures contain a number of covenants imposing significant restrictions on our business. These restrictions may affect our ability to operate our business and may limit our ability to take advantage of potential business opportunities as they arise. The restrictions these covenants place on us include limitations on our ability to:

- incur or guarantee additional indebtedness;
- make certain investments;
- pay dividends or make distributions on our capital stock;
- sell assets, including capital stock of restricted subsidiaries;
- agree to payment restrictions affecting our restricted subsidiaries;
- consolidate, merge, sell or otherwise dispose of all or substantially all of our assets;
- enter into transactions with our affiliates;
- incur liens; and
- designate any of our subsidiaries as unrestricted subsidiaries.

We are also required to comply with a first lien net leverage ratio covenant under the revolving portion of the Credit Facilities. However, the Credit Agreement includes a covenant modification period ending on the earlier of (i) January 1, 2022 or (ii) the date we provide notice of our intention to terminate the Covenant Modification Period. During the Covenant Modification Period, we will not be obligated to comply with the first lien net leverage ratio covenant; however, we will be required to maintain a minimum liquidity balance of $100.0 million, which will be tested monthly.

Effective as of the end of the first fiscal quarter following the Covenant Modification Period and continuing throughout the remaining term of the Credit Facilities, we will be required to maintain a first lien net leverage ratio, if 30% or more of the Revolving Credit Facility commitments are outstanding shortly after the end of any fiscal quarter (excluding all cash collateralized undrawn letters of credit and other undrawn letters of credit up to $20.0 million). During the first three quarterly test periods following the Covenant Modification Period, certain financial measures used in the calculation of the first lien net leverage ratio will be calculated on an pro forma basis by annualizing the respective financial measures recognized during those test periods.

Mortgage Facilities

Certain of our subsidiaries have entered into mortgage facilities with various financial institutions (collectively, the “Mortgage Facilities”), which are collateralized by certain of our related real estate and buildings, including one of our corporate headquarters properties. The Mortgage Facilities have varying maturity dates from March 2023 through August 2027 and carried a weighted average interest rate of 4.69% as of June 30, 2021. Payments of principal and interest on each of the Mortgage Facilities are payable monthly on the first business day of each month. The Mortgage Facilities contain customary affirmative covenants, including but not limited to, payment of property taxes, granting of lender access to inspect the properties, maintenance of the properties, providing financial statements, providing estoppel certificates and lender consent to leases. The Mortgage Facilities also contain various customary negative covenants, including, but not limited to, restrictions on transferring the property, change in control of the borrower and changing the borrower’s business or principal place of business. As of June 30, 2021, we were either in compliance in all material respects with the covenants associated with the Mortgage Facilities or the covenants were not applicable.

Contractual Obligations

The following is a summary of our contractual obligations as of December 31, 2020:

	Payments due by period						
($ in thousands)	**Total**	**2021**	**2022**	**2023**	**2024**	**2025**	**After 2025**
Long-term debt (1)	$ 2,289,248	$ 139,266	$ 1,573,996	$ 467,661	$ 63,407	$ 12,830	$ 32,088
Interest payments on long-term debt (2)	266,168	139,805	85,989	25,030	3,125	2,153	10,066
Operating lease liabilities (3)	3,459,591	182,236	176,933	180,121	180,661	183,221	2,556,419
Finance lease liabilities (3)	70,380	3,514	3,910	3,250	3,042	3,042	53,622
Purchase obligations (4)	232,585	205,604	14,741	5,214	3,668	3,020	338
Other obligations (5)	12,038	75	75	—	—	—	11,888
Total contractual obligations	$ 6,330,010	$ 670,500	$ 1,855,644	$ 681,276	$ 253,903	$ 204,266	$ 2,664,421

(1) For more information on long-term debt, see Note 6, Debt, to our condensed consolidated financial statements as of June 30, 2021, and Note 8, Debt, to our consolidated financial statements as of December 31, 2020, both of which are included elsewhere in this prospectus.

(2) Represents obligations for interest payments on long-term debt. Also includes projected interest on variable-rate long-term borrowings based on interest rates in effect as of December 31, 2020.

(3) For more information on operating and finance lease liabilities, see Note 7, Leases, to our condensed consolidated financial statements as of June 30, 2021 and Note 9, Leases, to our consolidated financial statements as of December 31, 2020, both of which are included elsewhere in this prospectus.

(4) Purchase obligations consist primarily of our contracts with construction subcontractors for the completion of centers under development, and utility forward contracts. Our construction subcontracts contain clauses that allow us to terminate any project. Therefore, we have the ability to cancel any project and, in the event of such a cancellation, we will only be obligated to pay for work actually performed up to the date of cancellation.

(5) Other obligations consists of deferred compensation obligations and payments owed in connection with certain acquisitions.

Quantitative and Qualitative Disclosures about Market Risk

We are exposed to market risks in the ordinary course of our business that include changes in interest rates and changes in foreign currency exchange rates. Information relating to quantitative and qualitative disclosures about these market risks is set forth below.

Interest rate risk

Our cash consists primarily of an interest-bearing account at a large U.S. bank with limited interest rate risk. At December 31, 2020, we held no investments in marketable securities.

We incur interest at variable rates under the revolving portion of our Credit Facilities. At December 31, 2020, $94.0 million was outstanding on the then Prior Revolving Credit Facility and there were $22.6 million of outstanding letters of credit, resulting in total availability under our Revolving Credit Facility of $241.3 million. The weighted average interest rate in effect at December 31, 2020 was 3.19%. The remaining $241.3 million of availability under our Revolving Credit Facility was available at intervals ranging from 30 to 180 days at interest rates of LIBOR plus 3.00% or base rate plus 2.00%.

At June 30, 2021, there were no borrowings under our Revolving Credit Facility and there were $40.8 million of outstanding letters of credit, resulting in total availability under our Revolving Credit Facility,

subject to a $100.0 million minimum liquidity requirement, of $217.1 million, of which $184.4 million was available at intervals ranging from 30 to 180 days at interest rates ranging from LIBOR plus 4.25% or base rate plus 3.25%, while interest on the remaining $32.7 million was available at intervals ranging from 30 to 180 days at LIBOR plus 3.00% or base rate plus 2.00%.

Foreign currency exchange risk

We operate primarily in the United States with three centers operating in Canada. Given the limited amount of operations outside of the United States, fluctuations due to changes in foreign currency exchange rates would not have a material impact on our business.

Recent Accounting Pronouncements

For information on recent accounting pronouncements, see Note 2, Summary of Significant Accounting Policies, to our consolidated financial statements and our interim condensed consolidated financial statements included elsewhere in this prospectus.

BUSINESS

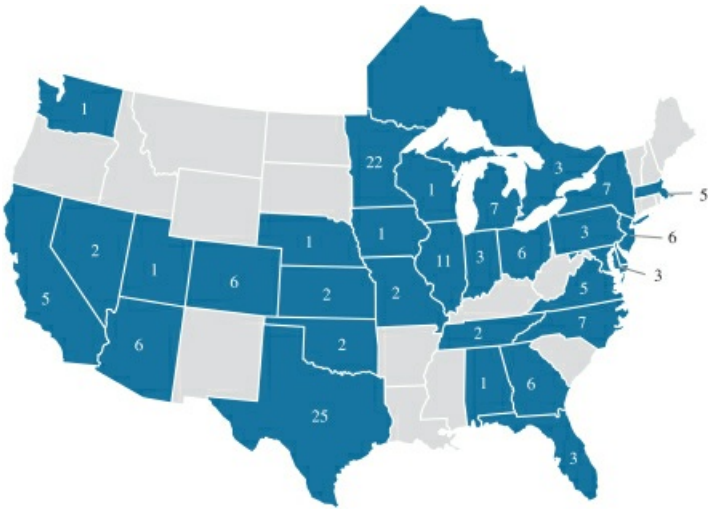
Who We Are

Life Time, the "Healthy Way of Life Company," is a leading lifestyle brand offering premium health, fitness and wellness experiences to a community of nearly 1.4 million individual members, who together comprise more than 767,000 memberships, as of July 31, 2021. Since our founding nearly 30 years ago, we have sought to continuously innovate ways for our members to lead healthy and happy lives by offering them the best places, programs and performers. We deliver high-quality experiences through our omni-channel physical and digital ecosystem that includes more than 150 centers—distinctive, resort-like athletic destinations—across 29 states in the United States and one province in Canada. Our track record of providing differentiated experiences to our members has fueled our strong, long-term financial performance. In 2019, prior to the COVID-19 pandemic, we generated $1.9 billion of revenue, $30 million in net income and $438 million in Adjusted EBITDA. In 2020, which was impacted by the COVID-19 pandemic, we generated $0.9 billion of revenue, $360 million in net loss and $(63) million in Adjusted EBITDA, and in the six months ended June 30, 2021, we generated $0.6 billion of revenue, $229 million in net loss and $(15) million in Adjusted EBITDA.

Our Premium Health, Fitness and Wellness Experiences

Our luxurious athletic centers, which are located in both affluent suburban and urban locations, total more than 15 million square feet in the aggregate. We offer expansive fitness floors with top-of-the-line equipment, spacious locker rooms, group fitness studios, indoor and outdoor pools and bistros, indoor and outdoor tennis courts, basketball courts, LifeSpa, LifeCafe and our childcare and Kids Academy learning spaces. Our premium service offering is delivered by approximately 30,000 Life Time team members, including over 6,100 certified fitness professionals, ranging from personal trainers to studio performers. Our members are highly engaged and draw inspiration from the experiences and community we have created, as demonstrated by the 92 million visits to our centers in 2019, the 48 million visits to our centers in 2020 despite the COVID-19 pandemic and the 32 million visits to our centers during the first six months of 2021.

Our Footprint of Premium Athletic Centers
(as of August 31, 2021)



We believe that no other company in the United States delivers the same quality and breadth of health, fitness and wellness experiences as we deliver, which has enabled us to consistently grow our recurring membership dues and in-center revenues for 20 consecutive years, prior to the impact of the COVID-19 pandemic. As of December 31, 2019, December 31, 2020 and June 30, 2021, our recurring membership dues represented 63%, 69% and 68%, respectively, of our total revenue, while our in-center revenue, consisting of Life Time Training, LifeCafe, LifeSpa, Life Time Swim and Life Time Kids, among other services, represented 34%, 29% and 30%, respectively, of our total revenue. Between 2015 and 2019, we grew our average revenue per membership from $1,883 to $2,172, a testament to the significant value that our members place on engaging with Life Time. Our Net Promoter Score increased from 34 as of December 31, 2017 to 53 as of June 30, 2021, demonstrating our ability to continuously enhance our member experience. While average revenue per membership fell to $1,317 in 2020, we have seen a strong rebound already in 2021, with $984 in average revenue per membership during the six months ended June 30, 2021.

We continue to evolve our premium lifestyle brand in ways that allow our members to more easily and regularly integrate health, fitness and wellness into their lives. We are enhancing our digital platform to deliver a true omni-channel experience for our members. Our Life Time Digital offering delivers live streaming fitness classes, remote goal-based personal training, nutrition and weight loss support and curated award-winning health, fitness and wellness content. Through an agreement with Apple®, we also provide Apple Fitness+ to our members, which gives our members expanded content and wellness data monitoring on the go. In addition, our members are able to purchase a wide variety of equipment, wearables, apparel, beauty products and nutritional supplements via our digital health store. We are continuing to invest in our digital capabilities in order to strengthen our relationships with our members and more comprehensively address their health, fitness and wellness needs so that they can remain engaged and connected with Life Time at any time or place.

We are also expanding our ecosystem in response to our members' desire to more holistically integrate health and wellness into every aspect of their daily lives. In 2018, we launched Life Time Work, an asset-light branded co-working model, which offers premium work spaces in close proximity to our centers and integrates ergonomic furnishings and promotes a healthy working environment. Life Time Work members also receive

access to all of our resort-like athletic destinations across the United States and Canada. Additionally, we opened our first Life Time Living location in 2021, another asset-light extension of our "Healthy Way of Life" ecosystem, which offers luxury wellness-oriented residences. As we expand our footprint with new centers and nearby work and living spaces, as well as strengthen our digital capabilities, we expect to continue to grow our omni-channel platform to support the "Healthy Way of Life" journey of our members wherever they are.

Our Transformation Under Private Ownership Since 2015

Since going private in 2015, we have significantly expanded our national footprint, accelerated unit growth in a capital efficient manner, and invested in omni-channel capabilities for future growth.

Expanded National Footprint and Strategic Focus on Locations in Affluent MSA's	• Increased presence in urban and coastal markets such as Boston, Chicago, New York City and California • Maximizing full market potential by expanding our center locations to mall/retail, urban and residential tower locations in addition to traditional suburban locations • For centers opened prior to 2015, our average annual revenue per center membership was $1,991. For centers opened after 2015, this grew to $3,089 in 2019 prior to the COVID-19 pandemic, was $1,716 in 2020 during the COVID-19 pandemic, and has recovered to $1,345 in the six months ended June 30, 2021
Asset-light, Flexible Real Estate Strategy	• 58% of centers are now leased, including approximately 84% of new centers opened since 2014, versus a predominantly owned real estate strategy prior to 2015 • Flexibility to monetize significant underlying real estate value • New center return on invested capital target of mid-to-upper thirties percent, more than double historical trends
Expanded Omni-Channel Membership Offerings	• Enhanced our digital capabilities, including our upgraded Life Time Digital app • Entered into a strategic relationship with Apple Fitness+ • Entering the co-working and residential living markets with Life Time Work and Life Time Living

In connection with going private in 2015, we incurred a substantial amount of indebtedness. As of June 30, 2021, we had total consolidated indebtedness outstanding of approximately $2,407 million, and for the six months ended June 30, 2021, our interest expense, net of interest income was $136.3 million. As of June 30, 2021, our annual debt service obligation was approximately $185 million, which includes principal and interest payments under the credit agreement governing our Credit Facilities and the indentures governing our Secured Notes and Unsecured Notes. See "Capitalization" and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Debt Capitalization." As of June 30, 2021, on an as adjusted basis to give effect to the use of a portion of the proceeds from this offering to repay amounts outstanding under our Term Loan Facility, we would have had total consolidated indebtedness of approximately $ million and our annual debt service obligation would have been approximately $ million, which includes principal and interest payments under the credit agreement governing our Credit Facilities and the indentures governing our Secured Notes and Unsecured Notes. See "Use of Proceeds."

Financial Performance

Our compelling financial profile is distinguished by our long-term track record of consistent revenue growth prior to the COVID-19 pandemic, growth of new centers in attractive markets, a high percentage of predictable recurring membership revenue, increasing revenue per center membership and strong profitability.

Long-Term Track Record of Revenue Growth. We believe the strength of our brand and the effective execution of our operating strategy have driven our long-term track record of growth. Prior to the impact of COVID-19 in 2020, we grew our revenue each year from 2000 through 2019.

Highly Successful New Center Openings. Our asset-light, flexible real estate strategy and compelling center economics have enabled us to successfully open new centers in attractive markets. From 2016 through August 31, 2021, we opened 40 new centers, increasing our total center count by 34.8%.

Predictable Recurring Membership Revenue. Due to our strong membership base, our membership dues represent a predictable recurring revenue stream that provides stability to our business. Center memberships grew from approximately 814,000 at the end of 2018 to approximately 854,000 at the end of 2019. Center memberships were approximately 501,000 at the end of 2020 as a result of the COVID-19 pandemic, and have rebounded to approximately 658,000 as of June 30, 2021. With respect to the net increase of approximately 157,000 Center memberships during the first six months of 2021, the percentage of that net increase attributable to members converting from Digital On-hold was approximately 61%, or 96,000 memberships. The proportion of our total revenue generated by the resulting recurring membership dues was 63% in 2019 and 69% in 2020.

Increasing Average Revenue Per Center Membership. Between 2015 and 2019, we grew our average revenue per center membership from $1,883 in 2015 to $2,172 in 2019, a testament to the significant value that our members place on engaging with Life Time. As a result of the COVID-19 pandemic, average revenue per membership fell to $1,317 in 2020, and has recovered to $984 for the first six months ended June 30, 2021.

Strong Profitability. We maintain a highly profitable business model, achieving a 1.6% net income margin and a 23.0% Adjusted EBITDA margin in 2019. These metrics were impacted by the COVID-19 pandemic in 2020, falling to (38.0)% and (6.6)%, respectively, in 2020.

Impact of COVID-19 on Our Financial Performance

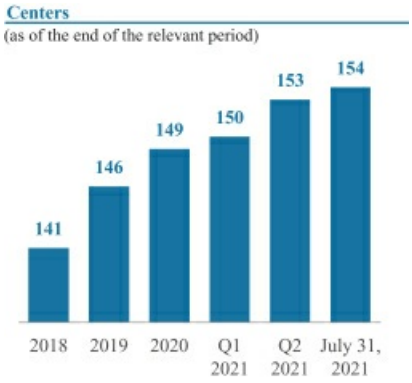
On March 16, 2020, we closed all of our centers based on orders and advisories from federal, state and local governmental authorities responding to the spread or threat of spread of COVID-19. While our centers were closed, we did not collect monthly access membership dues or recurring product charges from our members. We re-opened our first center on May 8, 2020 and have continued tore-open our centers in accordance with evolving state and local governmental guidance. As of August 31, 2021, all of our 155 centers were open.

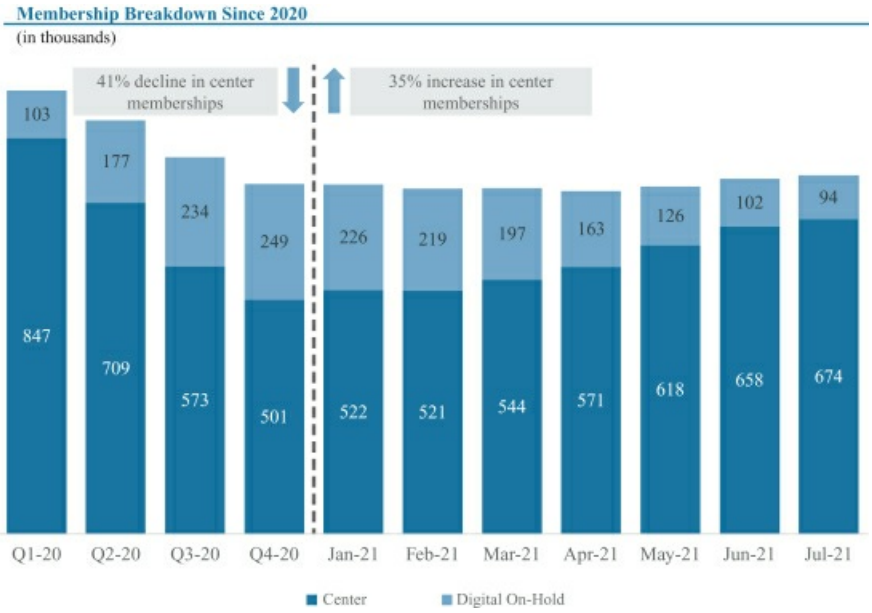
After the onset of the COVID-19 pandemic, we prioritized the health and safety of our members and team members by developing and implementing robust COVID operating protocols, while taking appropriate steps to ensure our financial stability, including by reducing operating expenses, delaying capital investments and securing additional debt financing. We continue to refine these protocols and may take further actions as government authorities require or recommend or as we determine to be in the interests of our members, team members, vendors and service providers as we operate in the evolving COVID-19 environment, including as a result of variants such as the Delta variant. Despite the challenges presented by the governmental response to the COVID-19 pandemic with respect to the health, fitness and wellness industry, we have remained committed to our mission and our members, and have already witnessed a strong recovery and substantial momentum in 2021.

Number of Centers. While our new center construction and growth was slowed as a result of the COVID-19 pandemic, we have successfully opened nine new centers since the end of 2019 through August 31, 2021, seven of which opened after the onset of the pandemic. We have also continued our real estate development efforts after initially suspending them during the pandemic, and had nine centers under construction as of August 31, 2021. We plan to open six new centers in 2021, with a pipeline to open 20 or more new centers in 2022 and 2023.

Revenue and Net Income (Loss). As a result of the COVID-19 pandemic, our total revenue fell from $1,900 million for 2019 to $948 million for 2020. This revenue loss resulted in a reduction of net income from approximately $30 million in 2019 to a net loss of approximately $360 million in 2020.

Memberships. We define memberships for our centers as Center memberships that provide general access (with some amenities excluded) to one or more centers and Digital On-hold memberships that provide certain member benefits but not access to our centers. Both Center memberships and Digital On-hold memberships include Life Time Digital. Center memberships grew from approximately 814,000 at the end of 2018 to approximately 854,000 at the end of 2019. By the end of 2020, as a result of the COVID-19 pandemic, Center memberships had declined to approximately 501,000 as we experienced more conversions of Center memberships to Digital On-hold memberships as well as a higher level of membership terminations. Our attrition rate, which is the number of Center membership terminations plus the net movement to/from Digital On-hold memberships for the trailing period, divided into the average beginning month Center membership balance for the trailing period, was thus higher due to COVID-19. For example, our attrition rate for the first six months of 2020 was approximately 29.1% compared to 16.1% during the first six months of 2019. However, we have recently seen significant improvement in our Center membership numbers and had approximately 658,000 Center memberships as of June 30, 2021, including a lower attrition rate of 5.6% during the first six months of 2021 due in large part to the conversion of Digital On-hold memberships back to Center memberships. With respect to the net increase of approximately 157,000 Center memberships during the first six months of 2021, the percentage of that net increase attributable to members converting from Digital On-hold was approximately 61%, or 96,000 memberships. These Center memberships accounted for approximately 68% of our revenue as of June 30, 2021, underscoring the consistency of our recurring revenue model. During the COVID-19 pandemic, we continued to engage with our members via our enhanced digital offering. For example, we offered members the ability to download and stream workouts and classes. As a result, we generated over 2.4 million digital workouts and class downloads during 2020 and 0.9 million during the six months ended June 30, 2021. We believe this engagement resulted in more of our members converting their Center memberships to Digital On-hold memberships rather than cancelling their memberships.





Our "Healthy Way of Life" Industry Opportunity

Health, fitness and wellness are core to our mission. As a leading lifestyle brand offering premium health, fitness and wellness experiences, we believe that Life Time is well-positioned in the market today to address the full spectrum of consumers' "Healthy Way of Life" needs.

We believe that our health, fitness and wellness opportunity is large and that our growth will accelerate as we emerge from the COVID-19 pandemic for the following reasons:

- **Large and growing industry opportunity**: According to the Global Wellness Institute, the Global Wellness Economy represented a $4.5 trillion global market opportunity in 2018. A sustained increase in the prioritization of health, fitness and wellness among consumers drove growth in the Global Wellness Economy nearly twice as fast as global GDP growth from 2015 to 2017, according to the Global Wellness Institute. We estimate that the U.S. wellness economy represents an approximately $900 billion market opportunity.

(1) Includes wellness tourism, traditional & complementary medicine, personal care, beauty, anti-aging and mental wellness.
(2) Source: Global Wellness Institute - 2018 Global Wellness Economy Monitor.
(3) Source: Management estimate.

- **Increased obesity prevalence**: According to the Centers for Disease Control and Prevention, U.S. obesity prevalence grew from 30.5% to 42.4% from 2000 to 2018. In February 2021, 42% of U.S. adults reported experiencing unwanted weight gain during the pandemic, with an average gain among that group of 29 pounds, according to a Harris Poll conducted for the American Psychological Association. We believe consumers will place a higher prioritization on their health and that this will present a meaningful tailwind for Life Time.
- **Demand from displaced gym members**: According to the International Health, Racquet, and Sportsclub ("IHRSA"), approximately 22% of total health clubs and fitness studios closed permanently during 2020. We believe these closures create an opportunity for us to attract new members whose gym may have permanently closed.

Our holistic "Healthy Way of Life" vision and ecosystem allow us to comprehensively meet the needs of our members – both in and outside of our resort-like athletic destinations. Our members also enjoy a supportive community where strong bonds are formed through shared experiences and goals. As the Life Time brand expands, we believe our ability to penetrate new and existing sections of the health, fitness and wellness market will also increase.

Our Competitive Strengths

We believe that the following strengths power our brand and business model:

Authentic, Premium "Healthy Way of Life" Brand

We have built Life Time into a premier health, fitness and wellness lifestyle brand, earning the trust of our members for nearly 30 years to make their lives healthier and happier. We believe that consumers equate our brand with the uncompromising quality, luxury and "Healthy Way of Life" experiences that Life Time offers. We have built this credibility and robust brand equity through our continuous focus on high quality member experiences delivered through what we believe to be the best programs with the best performers in the best places. We believe our brand loyalty will allow us to continue to grow our core business as well as expand our omni-channel platform in digital, work, living and other health, fitness and wellness experiences.

Differentiated and Uncompromising Omni-Channel Experiences

Our omni-channel platform offers members an exceptional breadth of physical and digital experiences that meet or exceed our members' expectations:

- **Full Suite of Comprehensive Offerings**: Life Time offers an expansive array of amenities, services and activities, thereby enabling members to enjoy a "Healthy Way of Life" across a diverse and varied set of offerings. Whether taking advantage of our state-of-the-art fitness equipment, partaking in summer camp for kids, competing in one of our sports leagues or relaxing in one of our award-winning spas, Life Time members enjoy a full end-to-end experience that can be utilized by the entire family and enable them to grow and develop, regardless of where they are in their health and wellness journey.
- **World-Class Talent**: We recruit, hire and certify those whom we believe are the best certified fitness professionals and performers in the industry to empower, educate and entertain our members. In addition, to enhance our member experiences and drive consistency in our hospitality and services, we have a strong focus on team member culture, training and certification. Life Time University, our in-house, proprietary education and certification division, offers curricula curated by over 20 dedicated professionals providing team members with online and in-person training and certification.
- **Passionate Culture**: Our focus on engagement among team members and performers attracts and fosters our multi-generational member base. We deeply value diversity, equity and inclusion at Life Time and strive to create a welcoming and inclusive culture. In addition, we foster community engagement through a wide range of events and activities, from parent-child dances to pool parties to charity runs. Since the start of 2019, we have organized more than 5,300 events and served as a social and community hub for our members.
- **Digital Offerings**: Life Time Digital enables our members to experience some of our best offerings at their fingertips at any time and wherever they are located in the United States or Canada. During the six months ended June 30, 2021, our members live streamed an average of 540 classes per week.

Loyal and Engaged Multi-Generational Membership Base with Attractive Demographics

Life Time's breadth of premium services and offerings attracts anyone who wants to lead a healthier, happier life. The power of our lifestyle brand, attractive member demographics, breadth of amenities and services and high utilization of our centers allow us to build deeply meaningful connections with our members, which are difficult for others in our industry to replicate fully. From young children attending our swim lessons and Kids Academy classes, or teenagers engaged in our sports and agility training, to members of all ages participating in our iconic athletic events and variety of in-center activities, we have something for every generation. As of June 30, 2021, 70% of our members owned a home and had a median household income of $112,000 and approximately 60% of our members are part of a couples or family membership, and these members typically engage more fully within our centers. On average, our members spent $2,172 and $1,317 at our centers during 2019 and 2020, respectively, and visited our centers an average of 108 and 69 times during the same periods, respectively. We have seen an improvement in these metrics during the six months ended June 30, 2021, with our members spending an average of $984 at our centers and visiting our centers an average of 57 times during that period.

Higher engagement and connectivity with our members drive attractive long-term value per member and higher member retention rates. Over 25% of our new Center memberships each year are driven by individuals and families re-joining the Life Time community following a period of non-membership, highlighting that a meaningful portion of canceled memberships derive from external life changes (such as relocation) rather than a negative club experience.

Flexible Real Estate Strategy with Nationwide Footprint

We have a diversified portfolio of over 150 resort-like athletic destinations that are primarily located in affluent markets across 29 states and one Canadian province. Over the last five years, we have become more asset-light through sale-leaseback transactions and have adopted more strategic and flexible center formats that can be modified to accommodate various settings, including traditional suburban, vertical residential, urban and mall/retail locations. Our focus on a flexible real estate strategy since 2015 has enabled us to develop a business model that targets a new center return on invested capital of mid-to-upper thirties percent, more than double historical trends, grow the number of centers at a faster pace and enter attractive urban coastal markets with premium centers where the price of real estate had historically been a deterrent to entry. We also benefit from our in-house architecture, design and construction expertise that allows us to create sustainable and energy efficient centers. These efforts have helped us control the cost and pace of capital expenditures and have also ensured a consistent feel across our centers.

We have developed a disciplined and sophisticated process to evaluate markets and specific sites in those markets where we may want to build new centers. This dynamic process is based upon demographic, psychographic and competitive criteria generated from profiles of our most successful centers, and we continue to refine these criteria based upon the performance of our centers. We believe that the presence of a Life Time center benefits landlords and the value of the underlying property and surrounding neighborhoods. We seek to leverage this halo effect of our brand, as well as long-term relationships with landlords, to achieve favorable lease agreements and increased tenant improvement allowances from landlords to support our capital light expansion.

Recurring Revenue Model with Consistent Growth

Membership dues from our network of members create a recurring and relatively predictable revenue stream that has proven to be resilient for nearly 30 years and across economic cycles. Membership dues provide our largest source of revenue, representing 63%, 69% and 68% of our total revenue in 2019, 2020 and the six months ended June 30, 2021, respectively.

We have grown from $137 million, $4 million and $36 million in revenue, net income and Adjusted EBITDA, respectively, in 2001 to $1.9 billion, $30 million and $438 million in revenue, net income and Adjusted EBITDA, respectively, in 2019. During that time period, we did not have a year-over-year decline in revenue or Adjusted EBITDA. While revenue, net income and Adjusted EBITDA did decline to $948 million, $(360) million and

$(63) million, respectively, during the COVID-19 pandemic in 2020, we have already begun to see a recovery during 2021 as were-opened our centers and we emerge from the pandemic. During the six months ended June 30, 2021, we generated $572 million, $(229) million and $(15) million in revenue, net (loss) and Adjusted EBITDA, respectively.

Passionate, Visionary, Founder-Led Management Team with Deep Industry Experience

Our unwavering commitment to excellence and a "Healthy Way of Life" culture is driven by our passionate management team, under the leadership of Bahram Akradi, our founder, Chairman and Chief Executive Officer. Life Time was founded by Mr. Akradi in 1992 with a goal of helping people achieve their health, fitness and wellness goals by delivering entertaining, educational and innovative experiences with uncompromising quality and unparalleled service. From the very beginning, Mr. Akradi has led the Company with a focus on serving members' needs first and a belief that business results would naturally follow.

By building a strong and highly experienced executive leadership team, Life Time has continued to grow and consistently deliver exceptional experiences. Our executive leadership includes:

- **Tom Bergmann, President & Chief Financial Officer**. Mr. Bergmann has been with Life Time for more than five years and has more than 30 years of leadership experience across various industries, including as Chief Financial Officer at three companies including USF Corporation (prior to being acquired by Yellow Corporation), Amsted Industries and Harley Davidson.
- **Jeff Zwiefel, President & Chief Operating Officer**. Mr. Zwiefel has been with Life Time for over 20 years and has more than 35 years of experience in the health, fitness and wellness industry.
- **Eric Buss, Executive Vice President & Chief Administrative Officer**. Mr. Buss has been with Life Time for over 20 years and has served as a key executive leader in a variety of roles.
- **Parham Javaheri, Executive Vice President & Chief Property Development Officer**. Mr. Javaheri joined Life Time in 2004 and has over 20 years of experience in real estate development.
- **RJ Singh, Executive Vice President & Chief Digital Officer**. Mr. Singh joined Life Time in 2017 and oversees all digital and technology infrastructure, operations and initiatives.

Our team has an entrepreneurial spirit that we believe makes us highly adaptable, reflects an ownership mentality and allows us to navigate shifts in the health, fitness and wellness landscape, including as a result of the COVID-19 pandemic. We believe the strength of our team, culture and organizational approach position us to continue to grow and deliver strong financial results.

Our Growth Strategies

We have built a strong foundation with an engaged membership base in pursuit of a healthy way of living. Leveraging our omni-channel platform, we intend to grow by increasing our membership base through our proven business model, increasing revenue per center membership, growing our number of centers and expanding our ecosystem.

Continue to Grow Our Membership Base

We believe we will expand our membership base as consumer activity accelerates post-pandemic and by continuing to increase our brand awareness, acquire new consumers and retain our current members longer. We expect to grow our consumer reach through the following initiatives:

- **Data-driven, targeted marketing campaigns focused on experiences**. Employ targeted marketing campaigns driven by data analytics to increase brand awareness and membership growth, as well as engage in consumer-focused marketing related to improving their health post-pandemic. According to a survey conducted by Momentum Worldwide, 76% of consumers would rather spend their money on experiences than on material items.

- **Attract and retain members**. Continue to expand our offerings to attract and retain members of all ages, from extended childcare hours for kids, to new studio classes, to pickleball for the aging population. We believe extending our existing membership offerings with complementary or fee-based services and benefits will continue to drive broader appeal, higher memberships and longer member retention.
- **Market share gains**. Capture orphaned members from fitness centers that shutdown during the pandemic. According to IHRSA, approximately 22% of health clubs and fitness studios closed permanently during the pandemic. We believe we are well-positioned to capture a portion of these consumers within our markets.

We believe that employing these strategies will enable us to continue to grow our membership base over the long-term.

Increase Revenue per Center Membership

We expect to increase revenue from our members by executing on the following initiatives:

- **Expand in-center offerings that generate incremental revenue**. We nearly doubled our averagein-center revenue per membership from 2007 to 2019. Although we saw a decline in average center revenue per membership during 2020, we have begun seeing a recovery during the six months ended June 30, 2021. We intend to continue to expand our health, fitness and wellness offerings to cater to all types of interests and levels, and to drive increased spend by members within our centers.
- **Enhance membership pricing**. We expect to increase spend from consumers by developing new premium centers in more affluent markets that drive higher membership dues, enhancing experiences at our existing centers to create more value and pricing opportunities and, over time, transitioning existing memberships to higher membership prices or tiers as we continue to add more value to their membership.
- **Drive further digital penetration**. We plan to continue growing our digital usage across our members anddirect-to-consumer non-center members. We plan to drive these engagement levels higher as we scale and better interconnect our digital platform and full-service centers. In addition to increasing engagement and retention with our center members, we believe our digital offering enables us to attract and retain new members, generate incremental revenues, deliver high-quality fitness content and maintain strong levels of member engagement, even when a member is unable to visit one of our centers.

Grow Our Number of Premium Athletic Centers

We believe we have significant whitespace opportunity for our premium athletic centers across the United States and Canada, as well as internationally. Our new center expansion is focused on strategic locations that we expect will generate higher average dues, higher in-center revenue per membership and higher revenue per square foot. Our asset-light model and flexible center formats allow us to further expand our potential market and strategically target premium locations with wealthier demographic profiles.

Between 2016 and 2019, we opened eight new centers per year on average. After opening three new centers in 2020, we expect to return to growth, and have plans to open six new centers in 2021 with a pipeline to open 20 or more new centers in 2022 and 2023. Our new centers historically have ramped to maturity over three to four years with a high level of consistency. As our annual number of new centers increases, we believe this ramping club dynamic will provide further support and predictability to our overall revenue and earnings growth.

We believe our flexible, vertically integrated real estate capabilities and brand strength provide meaningful runway for Life Time's expansion.

We also intend to complement our organic growth through acquisitions. We have acquired, and expect to continue to acquire, athletic centers as well as services and experiences. Our acquisitions can be single assets or portfolios of assets. We take a disciplined approach to sourcing, acquiring and integrating high quality assets and/

or locations and complementary businesses that can help us continue to expand into new geographic areas, acquire key talent, and offer new services and experiences. Our post-acquisition integration process often involves significant investments in both the acquired physical assets and human capital to improve each acquired site and to rebrand the look and feel of the center to create the Life Time brand experience for our members.

Expand the Life Time Ecosystem

We believe the importance of health, fitness and wellness coupled with the structural shift of consumer preferences towards experiential and proactive health and wellness spending creates new opportunities for us to leverage our "Healthy Way of Life" lifestyle brand. As our business model evolves and our membership base grows, we expect to leverage our brand reputation and use our deep understanding of membership needs to add a growing portfolio of products and services to our omni-channel platform. We also believe that we can leverage our brand reputation and deep understanding to expand our operations internationally. While our operations are predominantly in the United States today, we continuously analyze our growth strategy and believe we have opportunities to expand our digital and physical ecosystem and healthy way of life internationally.

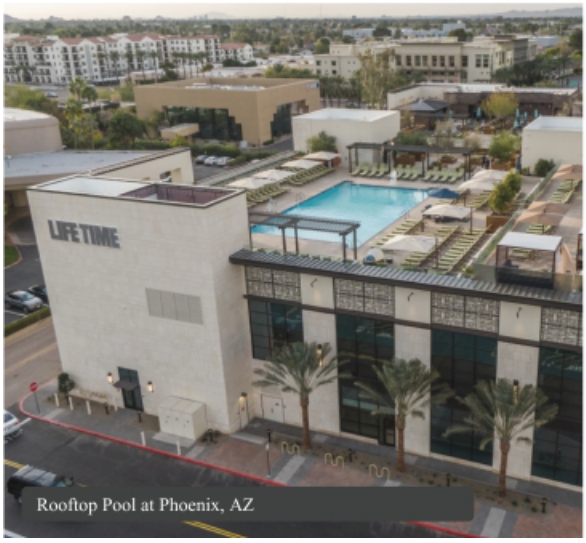
We want Life Time to be our consumers' "second home." For example, in 2018, we launched Life Time Work, a brand extension capitalizing on the broader shift to co-working spaces. We have seven Life Time Work locations open and operating, with plans to open one more new location during 2021 and more in the following years. Life Time Work locations average 26,000 square feet and come with a variety of perks and amenities, including complimentary access to our centers in the United States and Canada, secure storage, printing stations, coffee bars and healthy snacks.

We also see significant opportunity to further embed the Life Time brand and healthy way of living through the development ofhigh-end, wellness-oriented residences. To this end, we opened our first Life Time Living location in 2021 and plan to open additional locations during the next few years. While we are in the early stages of capitalizing on this opportunity, we believe integrating how and where consumers live, work, move and play is a promising opportunity that Life Time is uniquely positioned to capture.

We envision a future where Life Time becomes aone-stop shop where members will have access to products and services from us, enabling our members to move, work, live and play.

Our Premium Athletic Centers

Exterior at Bridgewater, NJ

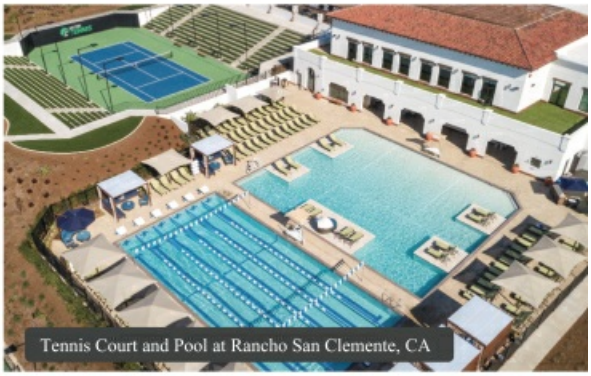


Rooftop Pool at Phoenix, AZ

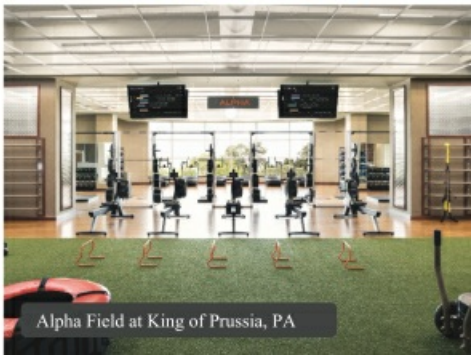
Exterior at Rancho San Clemente, CA

Lobby at 23rd Street, NY


Studio at 23rd Street, NY


Tennis Court and Pool at Rancho San Clemente, CA

Fitness Floor at Bellevue, WA


Alpha Field at King of Prussia, PA

Size and Location

We operate distinctive, resort-like athletic destinations in both affluent suburban and urban locations centered around major metropolitan areas in the United States and Canada. As of June 30, 2021, we operated a

well-diversified portfolio of more than 150 centers across 29 states and one Canadian province. Our luxurious athletic centers total more than 15 million square feet in the aggregate and measure approximately 100,000 square feet on average. They offer expansive fitness floors, spacious locker rooms, group fitness studios, indoor and outdoor pools and bistros, indoor and outdoor tennis courts, basketball courts, LifeSpa personal care services, LifeCafe healthy restaurants and child care and Kids Academy learning spaces.

Our distinctive format is designed to provide inviting spaces that are conducive to the wide range of "Healthy Way of Life" programming and services we deliver and that accommodate each center's targeted capacity. This targeted capacity is designed to maximize the member experience based upon our historical understanding of membership usage, facility layout, pricing and the number of individual, couples and family memberships.

We have a diversified national presence, with Texas (16% of centers as of August 31, 2021) and Minnesota (14% of centers as of August 31, 2021) having the highest concentration of centers by state. Over the last five years, we have expanded our footprint on the East and West coasts, and increased our presence in premium, urban areas such as New York City. Our new center expansion initiatives are focused on strategic locations that will generate higher average dues, higher in-center revenue per membership and higher revenue per square foot. Our geographic and upscale expansion has been enabled by our flexible center formats, which can be modified to accommodate traditional suburban, vertical residential, urban and mall/retail locations.

Center Offerings

Our centers combine modern architecture and decor with best-in-class amenities. Most of our centers are freestanding buildings designed with open architecture and naturally illuminated atriums to create a spacious, inviting atmosphere. With finishes such as limestone floors, wood lockers and granite countertops, our centers are carefully designed to create an appealing and luxurious environment that attracts and retains members, and encourages them to visit our centers often. We regularly update and refurbish our centers to maintain a high-quality experience. Our commitment to quality and detail provides a similar look and feel at each of our centers.

The table below displays the wide assortment of amenities, services, activities and events found at our centers:

Amenities	Services	Activities and Events
Indoor and Outdoor Pools	Personal and Small Group Training	Athletic Leagues and Tournaments
Group Fitness Studios	Weight Loss Coaching	Kids' Birthday Parties
Cycle Studios	Nutrition Coaching	Summer and Vacation Camps for Kids
Yoga & Pilates Studios	LifeSpa and Medi-spa	Sports Training Camps
Indoor and Outdoor Tennis Courts	Physical Therapy and Chiropractic	Athletic Events
LifeCafe with Poolside Service	Assessments and Lab Testing	Social Events
Bar and Lounge with Wi-Fi	Sport Specific Coaching	Outdoor Group Runs
Free Weight and Resistance Equipment	Endurance Coaching	Outdoor Group Cycle Rides
Cardiovascular Equipment	Swim Lessons and Team Coaching	Swim Meets
Steam Room and Sauna	Towel and Locker Service	Charity Events
Racquetball and Squash Spaces		
Locker Rooms		
Child Center and Kids Academy		
Basketball/Volleyball/Pickleball Courts		

The majority of our centers have large, resort-quality indoor and outdoor recreation pools withzero-depth entrances and water slides, lap pools, saunas, steam baths and whirlpools. A majority of our centers have at least two regulation-size basketball courts that can be used for various sports activities, such as volleyball and pickleball. As of July 31, 2021, we offered pickleball at 100 locations. Other dedicated facilities include group fitness, cycling, yoga and Pilates studios, rock climbing walls, and racquetball and/or squash courts. In addition, we have tennis facilities at 32 locations with over 325 tennis courts. We also offer professional tennis instruction, provided by approximately 200 U.S. Tennis Association-certified instructors.

To help members develop and maintain a “Healthy Way of Life”, train for athletic events or lose weight, our centers have over 500 pieces of cardiovascular and resistance training equipment on average, plus free weights. Exercise equipment is arranged in spacious workout areas to allow for easy movement from machine to machine, facilitating a convenient and efficient workout. Equipment in these areas is arranged in long parallel rows that are clearly labeled by muscle group, allowing members to conveniently customize their exercise programs and reduce downtime during their workouts. Due to the large amount of equipment in each center, members rarely have to wait to use a machine. We have in-house technicians who service and maintain our equipment.

Services and Experiences

We believe that no other company in the United States delivers the same quality and breadth of health, fitness and wellness experiences as we deliver through our omni-channel ecosystem. We have over 6,100 certified fitness professionals, including more than 2,300 personal trainers, who offer top-of-the-line service and experiences to our members. On average, each center employs 15 personal training professionals who are all

industry-certified fitness professionals, skilled in both assessing individual and/or group exercise needs and in formulating effective programs for every client. Our personal training program aims to improve the long-term health, well-being and fitness of our members and we believe our personal training offerings are considered to be industry leading. To this end, in addition to a nationally accredited certification, our personal trainers are required to take a thorough 60-day internal Life Time certification as they onboard and serve our members

We offer many different programs featuring our certified fitness professionals including:

- *Personal Training*—We offer sessions in which an individual member or small group (two to four members) meets directly with a personal trainer to create a custom training program to help achieve their "Healthy Way of Life" goals, including, but not limited to, losing weight, gaining weight/muscle mass or specific event training.
- *Small Group Training Branded Programs*—We offer two branded small group programs – Alpha and GTX – which are comparable to smaller-format boutique fitness offerings. Access to these programs is sold as a premium membership above our traditional Center membership price.
- *Pilates*—We offer reformer-based Pilates within our dedicated Pilates studios. Our services includeone-on-one private sessions, duets (equivalent to a group session above) and Pilates group classes.
- *Assessments*—We offer various health and fitness assessments for a detailed view of total health, including metabolic cardiovascular testing, metabolic profile assessments and lab testing.
- *Challenges*—We offer our Life Time60-Day Challenge as an opportunity for members to receive education, training and motivation to jumpstart their training program, help them set and achieve their health and fitness goals and keep their overall health program on track.
- *Virtual Training*—All of our members are provided with anapp-based personal training program via Life Time Digital for the duration of their membership. We use basic member information on goals, preferred ways to exercise and access to equipment to match each member with a trainer and a program that we believe is right for them. We then manage these relationships on a one-to-many basis in order to keep members engaged as well as foster use of fee-based personal training.
- *Studio Classes*—Our centers offer a variety of studio classes included with membership. Most centers have four dedicated studio spaces (two group fitness studios, one yoga studio and one cycle studio).

We have developed and launched more than 20 branded class formats across our Group Fitness, Cycle and Yoga classes. On average, we offered more than 115 group fitness classes per center per week and had approximately 19.4 million class visits across our centers in 2019. During 2020 and the six months ended June 30, 2021, we offered more than 60 and 67 group fitness classes per center per week, respectively, and had approximately 7.8 million and 5.0 million class visits across our centers, respectively.

We seek to establish deep connections with our members to holistically support their health, fitness and wellness needs, and enable all aspects of their "Healthy Way of Life" journey, including:

LifeCafe. The majority of our centers feature an on-site, full-service, chef-driven LifeCafe, which offers an all-natural menu with an abundance of organic offerings. In keeping with our commitment to provide members with healthy, all-natural food, we offer a broad menu of made-to-order and pre-prepared breakfast, lunch and dinner items focused on better ingredients—free of artificial flavors, artificial colors, artificial preservatives, artificial sweeteners, trans fats and bleached flour. Customers can enjoy the convenience of dining indoors – ordering items to-go or selecting pre-made "grab and go" meals – or take advantage of our outdoor poolside bistros at a majority of our centers. Our LifeCafes also offer our Life Time branded nutritional products and supplements.

LIFECAFE®

LifeSpa. Nearly all of our centers feature a LifeSpa, which is a full-service salon and spa. LifeSpa offers hair, body, skin care and massage therapy services, customized to each client's individual needs. We also offer medi-spa services in select locations. Each LifeSpa is located in a separate, self-contained area that provides a relaxing and rejuvenating environment.

LIFESPA®

Life Time Kids. Nearly all of our child centers offer on-site Kids Academies featuring a robust catalogue of classes for children three months through under 14 years of age as part of our junior memberships. Classes include yoga, dance, martial arts, gymnastics, sports skills, art and school skills. Our Kids Academy classes and activities are available for up to 2.5 hours per child per day while members use our centers. In addition to Kids Academy classes, junior members can also participate in monthly parent's night out events where children are engaged in themed activities while parents enjoy a night to themselves. For school aged children, we offer school break and summer camp programs to ensure children remain active and engaged while not in school. As of June 30, 2021, we had approximately 200,000 kids under 14 years old eligible to participate in Life Time Kids offerings.

Life Time Swim. A majority of our centers offer aquatics programming, with many featuring three or more indoor and outdoor pools. These pools include lap pools dedicated to lap swimming and swim teams, along with leisure pools featuring beach entries and warm water welcoming swimmers young and old for recreational swimming and swim lessons. Our swim team participants regularly compete in regional and national swim meets, and we had over 28 swim teams as of August 31, 2021. Our proprietary swim lesson program uses a continuous format that allows parents to choose a day and time that works for them. Once enrolled, children progress through each of our levels seamlessly without having to re-enroll every few months. In 2019, 2020 and the six months ended June 30, 2021, we had over 45,000, 24,000 and 25,000 participants in swim lessons and aquatics programming per month across all our centers, respectively.

Life Time Athletic Events. We produce athletic events for members and non-members, both inside and outside our centers. Our primary focus has been on endurance activities, including running, cycling and triathlon. In 2019, we produced over 30 events, hosting more than 100,000 participants. As a result of the COVID-19 pandemic, we produced only two events during 2020. However, in 2021, we expect to return to a similar number of events as we delivered in 2019. Our events range from entry level to ultra-endurance events and draw from local, regional, national and international markets. Our larger events include the Miami Marathon and triathlons such as the New York City Triathlon® and the Chicago Triathlon®, as well as the iconic Leadville Trail 100® event series. We produce events primarily in markets in which we operate centers, including themed runs such as the Torchlight 5K Run, Turkey Day 5K and Commitment Day 5K. We also produce indoor triathlons in many of our centers, which are geared towards introducing members to the sport of triathlon. Through our media business, we provide our partners with reach to sought-after consumers through a range of print and digital media, including our award-winning Experience Life® magazine and event sponsorships.

LifeClinic Chiropractic. In select locations, LifeClinic Chiropractic and physical therapy services are provided by third-party licensed chiropractors. LifeClinic Chiropractic offers an innovative, non-invasive form of soft tissue and joint treatment.

Our Team Members

As of June 30, 2021, our premium service offerings are delivered by approximately 30,000 Life Time team members, including 20,000 part-time employees and over 6,100 certified fitness professionals, ranging from personal trainers to studio performers. On average, our centers are generally staffed with approximately 200 to 300 full-time and part-time employees depending on center activity levels.

All center team members are required to participate in a training and certification program that is specifically designed to promote a friendly and inviting environment with each member interaction, while upholding a

consistent standard of performance across all of our centers. We provide comprehensive training through our Life Time Education platform that is comprised of both an externally licensed school branded as Life Time Academy ("LTA") and an internal team member education and certification division that we call Life Time University ("LTU"). LTA offers a certification for entry-level professionals to prepare for a career with Life Time or within the health, fitness and wellness industry. LTU delivers world-class certification, learning, education and development opportunities for all team members. Life Time Education supports the culture of Life Time through enterprise-wide programs in service, inclusion and diversity, and personal and professional growth. Team members also receive ongoing mentoring and continuing education, and we require an annual re-certification before any team member is permitted to work or to advance to other positions within our Company.

Our personal trainers, registered dietitians, massage therapists and cosmetologists are required to maintain a professional license or one of their industry's top certifications.

We are not a party to a collective bargaining agreement with any of our employees. We strive to create an environment that is diverse and inclusive for our employees, and we believe relations with our employees are good.

At Life Time, we are committed to inspiring healthy, happy lives for everyone in our communities. We embrace our responsibility to create healthy environments and workspaces that honor and champion all by upholding an unwavering commitment to inclusion, equity and diversity. We recognize, empower and celebrate the unique talents, backgrounds and perspectives of all individuals so everyone always feels welcomed, respected, supported and valued.

Our Members

Life Time's member base is primarily made up of members in affluent suburban and urban locations. As of June 30, 2021, 70% of our members owned a home and had a median household income of $112,000, and approximately 59% of our members had at least a college education. Additionally, our gender mix is balanced and approximately 50% of our members are below 35 years of age and approximately 80% are under 55 years of age.

We believe our members love the community that we have created and embrace our extensive health, fitness and wellness offerings as an integral part of their daily lives. As an example, a member may begin her week by taking a Pilates class for an intense, total body workout and catch up afterwards with her classmates over an Acai Berry Recovery Smoothie at LifeCafe, ordered in advance via our digital app. When her schedule gets hectic, she may opt for a self-driven Life Time Digital workout on our fitness floor using our state-of-the-art cardio equipment and vast assortment of strength and conditioning equipment. For the days she cannot make it to one of our centers, she can live stream a Life Time Warrior Sculpt studio class from the convenience of her living room and track her fitness journey progress via her Life Time-integrated Apple Watch. On the weekend, she may take a tennis lesson from her favorite instructor and enjoy a regenerative XEN massage at LifeSpa, while her children make new friends at our Kids Academy. Her family can then enjoy time together at our outdoor bistro and pool before heading home for the night. Her experience is emblematic of who our members are and how they engage with Life Time across multiple touchpoints.

Our Membership Offering

We define a membership for our centers in two ways: Center memberships and Digital On-hold memberships. As of July 31, 2021, we had 767,458 memberships, comprised of 673,949 Center memberships and 93,509 Digital On-hold memberships. We also have Digital memberships that we began to offer in December 2020 for direct–to-consumer memberships that do not provide access to our centers.

Center Memberships. We offer a variety of convenient month-to-month memberships with no long-term contracts. Each Center membership is defined as one or more adults 14 years of age or older, plus any juniors under 14.

- *Base Memberships.* We offer base memberships that provide one or more individuals 14 years of age or older general access (with some amenities excluded) to a selected home center and all centers with the same or a lower base monthly dues rate. Our optimized pricing for a Center membership is determined center-by-center based on a variety of factors, including geography, market presence, demographic nature, population density, initial investment in the center and available services and amenities. Center memberships typically include locker and towel service, group fitness classes and access to the Life Time app.
- *Junior Memberships*. We offer junior memberships (as an add-on to a base membership) that provide one or more children 13 years of age or younger access to the child center, pools and gymnasiums at designated times, drop-off events and Kids Academy, which includes more in-depth programming focused on activity, learning and fitness. Junior memberships currently cost $10 to $90 per month depending upon the center. We do not count junior memberships as incremental in our membership count since they are already part of the Center membership.
- *Other Memberships and Products*. We offer several other recurring memberships and access-related products at select centers, including a Signature Membership that bundles a base membership with small group training, a Tennis Membership that bundles a base membership with tennis and a Pool Pass that affords access to the outdoor pool area at select centers.

Digital On-hold Memberships. We offer Digital On-hold memberships for members who do not currently wish to access our centers, but still want to maintain certain member benefits, including our Life Time Digital membership, and the right to convert to back to a Center membership without paying an enrollment fee. The majority of our Digital On-hold memberships cost $15 per month, which we do not charge from time to time, including during the COVID-19 pandemic as a means to maintain member engagement. We have already seen more than 158,000 Digital On-hold memberships convert back to Center memberships during the six months ended June 30, 2021.

Digital Memberships. We launched Life Time Digital direct-to-consumer in December 2020 to bring our healthy way of life programs, services and content to consumers virtually. Life Time Digital features include live streaming fitness classes, remote goal-based personal training, nutrition and weight loss support, curated award-winning health, fitness and wellness content and access to Apple Fitness+. Currently, our digital membership is included with both our Center and Digital On-hold memberships at no additional charge, or can be purchased separately as a digital-only membership. We currently report our Digital memberships within our Digital On-hold membership totals.

Activity and Revenue per Member. Our centers are generally open 17 or more hours a day, seven days a week, in order to facilitate member use and engagement. We have seen total visits to our centers increase from 72 million in 2015 to 92 million in 2019, and visits per Center membership increase from an average of 102 to 108 over the same time period. As of December 31, 2019, recurring membership dues accounted for approximately 63% of our total revenue, while in-center revenue accounted for approximately 34% of our total revenue. As a result of the COVID-19 pandemic, as of December 31, 2020, recurring membership dues accounted for 69% of revenue and in-center revenue accounted for 29% of revenue; however, we believe we will see a rebound in in-center revenue as we continue to emerge from the COVID-19 pandemic. We are continuing to focus on growing average center revenue per membership, which has increased from $1,883 in 2015 to $2,172 in 2019, through both optimized membership pricing as well as increased engagement with the full suite of offerings provided in our centers. Although average center revenue per membership declined to $1,317 during 2020, we view this as a temporary result of the COVID-19 pandemic, and have already seen this metric begin to improve, and during the six months ended June 30, 2021, average center revenue per membership had increased to $984.

Marketing and Sales

Overview of Marketing. Our in-house marketing and creative design team is responsible for promoting and differentiating the Life Time "Healthy Way of Life" brand in order to attract, connect with and engage existing and new members with our centers, products and services. Our marketing and creative design initiatives focus on our comprehensive, healthy lifestyle-oriented approach of helping people set and achieve their health, fitness and wellness goals, both inside and outside of our resort-like destinations. In turn, with these efforts, our members further engage with our ancillary business areas and generate new consumer leads for our membership sales force and online membership sales.

Overview of Sales. We have highly trained account managers and member services team members in each center who are responsible for member acquisition and retention. In addition, we have a web sales team that specializes in converting membership leads from our digital platforms into memberships, either directly or by setting up appointments with the in-center account managers. We also have a corporate sales team that consists of both centralized team members and regional business development managers who are assigned to a specific geographic area. Our corporate sales team also partners with companies of various sizes to provide corporate-sponsored memberships for their employees. For these corporate sponsorships, we are paid on a varied usage model depending on the contract parameters.

New Center Development

Over the last five years, we have increased our focus on developing strategic partnerships and relationships with real estate developers across the United States and Canada. The combination of the power of the Life Time brand, our attractive member demographics, our breadth of health, fitness and wellness offerings and the high member traffic our centers draw are extremely attractive to a wide range of real estate developers. For example, residential developers that include a Life Time center in their apartment or condominium project may achieve higher occupancy rates and average rents, and mall developers may obtain increased consumer traffic to their sites. Through our increased focus on developing these real estate relationships, combined with more strategic and flexible center formats that can be modified to accommodate various settings, we have substantially increased Life Time's whitespace opportunity and runway for new center growth.

Our focus on a flexible real estate strategy since 2015 has enabled us to develop a business model that targets a new center return on invested capital of mid-to-upper thirties percent, more than double historical trends, grow the number of centers at a faster pace and enter attractive urban coastal markets with premium centers where the price of real estate had historically been a deterrent to entry. We also benefit from our in-house architecture, design and construction expertise that allows us to create sustainable and energy efficient centers. These efforts have helped us control the cost and pace of capital expenditures and ensure a consistent look and feel across our centers.

Site Selection. Our management team devotes significant time and resources to analyze each prospective site, ranging from undeveloped land, existing facilities available for lease, re-development of malls and retail centers as well as urban and vertical residential projects. We look at the physical geography of the site, the highway patterns and drive times, public transportation, demographics and psychographic data as well as competitive information. We focus mainly on markets that we believe will allow us to operate multiple centers in order to create certain efficiencies in marketing and branding activities, but ultimately select each site based on whether that site and trade area can support an individual center.

After we identify and determine that a potential site is viable, we develop a business plan for a center on that site. This business plan requires input and analysis from most functional areas in the Company. We believe that our disciplined, structured process reduces the risk of developing a site that ultimately does not achieve our targeted financial returns.

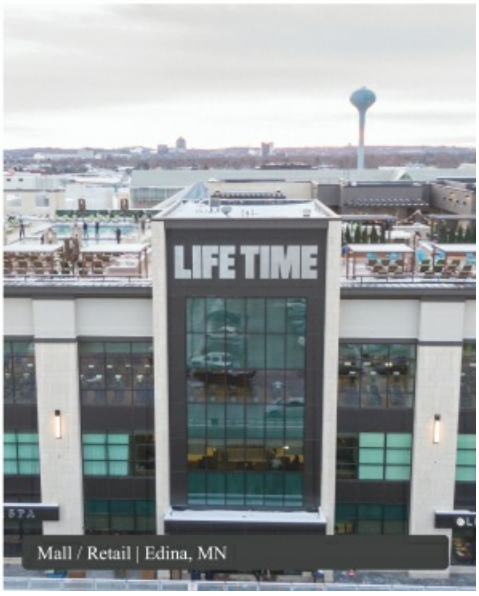
Design and Construction. We have fully integrated real estate, architecture, design and construction teams responsible for the selection, design and building of our new centers. With approximately 240 employees as of

June 30, 2021, these teams are dedicated to the design and construction of each new center and the remodel of existing and acquired centers. We believe having these functions in-house is a strategic advantage and allows us to select and build sites faster and more efficiently.

We have developed a series of prototypical plans and specifications that can often be adapted to new and varied sites. Project architects, along with our construction management teams, monitor quality and oversee the construction progress throughout the development of each new center. By using similar materials at each center, we not only maintain a consistent look and feel, but we are also able to maximize buying power and leverage economies of scale in purchasing.

Nearly all costs are capitalized as a part of the overall initial investment in the new center or the remodel. Any remaining unallocated costs are recognized as an expense in the period incurred.

Examples of Center Formats:



Real Property

Our corporate headquarters, located in Chanhassen, Minnesota next to our Chanhassen center, is comprised of two 105,000 square foot, free-standing, three-story buildings that we own.

As of August 31, 2021, we operated 155 centers in 29 states and one Canadian province, 64 of which were owned (including ground leases) and 91 of which were leased. Excluding renewal options, the terms of our leased centers, including ground leases, expire at various dates from November 2021 through December 2049. Including renewal options, only three of our 91 leases expire in the next 15 years. The majority of our leases have renewal options and a few give us the right to purchase the property. The table below contains information about our centers as of August 31, 2021:

	Number of Owned Centers	Number of Leased Centers	Total Number of Centers	Aggregate Square Feet
United States:				
Alabama	0	1	1	103,647
Arizona	2	4	6	638,776
California	3	2	5	453,933
Colorado	3	3	6	657,557
Florida	1	2	2	209,933
Georgia	3	3	6	585,601
Illinois	7	4	11	1,235,464
Indiana	2	1	3	166,956
Iowa	0	1	1	110,376
Kansas	1	1	2	222,190
Maryland	0	3	3	305,826
Massachusetts	0	5	5	637,568
Michigan	4	3	7	682,638
Minnesota	13	9	22	1,997,354
Missouri	0	2	2	236,990
Nebraska	0	1	1	115,030
Nevada	1	1	2	261,673
New Jersey	1	5	6	681,572
New York	2	5	7	536,886
North Carolina	1	6	7	476,999
Ohio	1	5	6	508,297
Oklahoma	0	2	2	237,769
Pennsylvania	1	2	3	310,170
Tennessee	0	2	2	228,625
Texas	14	11	25	2,466,528
Utah	0	1	1	108,925
Virginia	1	4	5	510,131
Washington	0	1	1	39,597
Wisconsin	0	1	1	126,423
Canada:				
Ontario	3	0	3	400,435
Total Centers	**64**	**91**	**155**	**15,253,869**

In a few of our centers, we sublease space to third parties. The square footage figures above include those subleased areas. The center square footage figures exclude areas used for tennis courts, outdoor swimming pools, outdoor play areas and stand-alone Work, Sport and Swim locations.

In addition to the centers listed in the table above, as of August 31, 2021, we had nine centers under construction and $252 million of net capital expenditures invested in future center development, including our nine centers under construction. We also operate four facilities that we classify as satellite locations. These include tennis-only facilities that we own in Oakdale, Minnesota, Centennial, Colorado and Plano, Texas, along with a leased small boutique center in Austin, Texas.

Other Property Data:

	As of December 31,					As of August 31,
	2016	2017	2018	2019	2020	2021
	(Number of centers)					
Center age:						
Open 1 to 12 months	3	7	11	9	3	7
Open 13+ months	119	123	130	137	146	148
Total centers	122	130	141	146	149	155
Center ownership:						
Own	31	33	39	39	34	34
Own/ground lease	11	11	11	11	11	11
Own/mortgaged outside of Credit Facilities	18	18	18	18	18	18
Joint venture	1	1	1	1	1	1
Leased	61	67	72	77	85	91
Total centers	122	130	141	146	149	155

Expanding the Life Time Ecosystem

Life Time Work. Launched in 2018, Life Time Work brings a "Healthy Way of Life" to premiumco-working spaces. We offer a variety of perks and amenities including complimentary access to our centers in the United States and Canada, secure storage, printing stations, a coffee bar and healthy snacks. Life Time Work leverages Life Time's brand awareness, premium positioning and member advocacy to gain a competitive advantage in the co-working market. We believe Life Time is uniquely positioned due to our focus on under-served suburbs lacking modern co-working alternatives, asset-light approach to development, attractive scale and brand and ability to capitalize on industry tailwinds coming out of the COVID-19 pandemic. We currently have seven Life Time Work locations with plans to open one more during 2021.

Life Time Living. Life Time Living represents our holistic approach of integrating the "Healthy Way of Life" into a premium living community with luxurious quality, design and conveniences demanded by active lifestyles. At Life Time Living, residents will live adjacent to and have access to our resort-like centers. With thoughtful touches like a LifeCafe, wellness concierge, high quality finishes with smart home capabilities and numerous amenities, residents will be able to experience healthy living at its finest. In addition to full access to our centers, we are planning for residents to also have dedicated amenities, such as expansive work lounge spaces, private dining areas, dog spas, exclusive parking and private events.

Miami, Florida

We opened our first Life Time Living location in 2021 and intend to open our second Life Time Living location in early 2022. We believe the comprehensive benefits we provide to residents will allow us to command a premium to comparable market rents. We anticipate taking a disciplined, asset-light approach to rolling out Life Time Living by leveraging our existing real estate relationships.

Information Systems

In addition to our standard operating and administrative systems, we use an integrated and proprietary member management system to manage the flow of member information within and between each of our centers and our corporate office. We have designed and developed our proprietary system to allow us to easily collect and process information. Our system enables us to, among other things, enroll new members with an electronic membership agreement, capture digital pictures of members for identification purposes and capture and maintain specific member information, including usage. The system allows us to streamline the collection of membership dues electronically, thereby offering additional convenience for our members while at the same time reducing our corporate overhead and accounts receivable. In addition, we use a customer relationship management system to enhance our marketing campaigns and management oversight regarding daily sales and marketing activities.

Competition

We consider the following groups to be the primary industry participants in the health, fitness and wellness industry:

- health center operators, including, but not limited to, Equinox Holdings, Inc., The Bay Club Company, Inc. and Club Corp, LA Fitness International, LLC and 24 Hour Fitness Worldwide, Inc.;
- the YMCA and similar non-profit organizations or community centers;
- physical fitness and recreational facilities established by local governments, hospitals and businesses;

- local salons, cafes and businesses offering similar ancillary services;
- small fitness clubs and studios and other boutique fitness offerings, including Anytime Fitness, Snap Fitness, Planet Fitness, Orange Theory, Barre3 and others;
- racquet, tennis and other athletic centers;
- rental unit and condominium amenity centers;
- country clubs;
- digital fitness and health services including online personal training and fitness coaching;
- the home-use fitness equipment industry;
- athletic event operators and related suppliers; and
- providers of wellness and other health and wellness-orientated products and services.

The health, fitness and wellness industry is highly competitive. While competition in the industry varies from market to market, it may be impacted by various factors, including the breadth and price of membership offerings and other products and services, the flexibility of membership options, the overall quality of the offering, name or brand recognition and economies of scale. We believe that our brand, our comprehensive product offering and focus on services, amenities and value provide us with a distinct competitive advantage, positioning us well to compete in the health, fitness and wellness industry.

Governmental Laws and Regulations

Our operations and business practices are subject to laws and regulations at federal, state, provincial and local levels, including consumer protection laws related to our advertising, marketing and sales efforts; health and safety regulations and licensing requirements related to our training, cafe, spa, aquatics, child care and ancillary health and fitness-related products and services; environmental laws and regulations, including those related to the handling, use, remediation and storage of hazardous materials, the emission, release and discharge of hazardous materials into the environment, and the health and safety of our employees; fair housing laws; accessibility laws; regulations related to the collection, use and security of personal information about our members, guests and purchasers; and wage and hour and other labor and employment laws. In addition, from time to time we have been required to investigate and remediate contamination at some of our sites under such environmental laws and regulations.

In particular, within the health, fitness and wellness industry, state statutes regulate the sale and terms of our membership contracts. State statutes often require that we:

- include certain terms in our membership contracts, including the right to cancel a membership, in most cases, within three to 10 days after joining, and receive a refund of enrollment fees paid;
- escrow funds received from pre-opening sales or post a bond or proof of financial responsibility; and
- adhere to price or financing limitations.

Seasonality of Business

Seasonal trends have an effect on our overall business. Generally, we have experienced greater membership growth at the beginning of the year. We also typically experience increased membership in certain centers during the summer pool season. During the summer months, we also experience a slight increase in our in-center business activity with summer programming and operating expenses due to our outdoor aquatics operations. We typically experience an increased level of membership attrition during the third and fourth quarters as the summer pool season ends and we enter the holiday season. This can lead to a sequential decline in memberships during those quarters.

Legal Proceedings

Life Time, Inc. et al. v. Zurich American Insurance Company— On August 19, 2020, Life Time, Inc., several of its subsidiaries and a joint venture entity, Bloomingdale Life Time Fitness LLC (collectively, the "Life Time Parties"), filed a complaint against Zurich American Insurance Company ("Zurich") in the Fourth Judicial District of the State of Minnesota, County of Hennepin (Case No. 27-CV-20-10599) (the "Action"), seeking declaratory relief and damages with respect to Zurich's failure under a property/business interruption insurance policy to provide certain coverage to the Life Time Parties related to the closure or suspension by governmental authorities of their business activities due to the spread or threat of spread of COVID-19. On March 15, 2021, certain of the Life Time Parties filed a First Amended Complaint in the Action adding claims against Zurich under a Builders' Risk policy related to the suspension of multiple construction projects. This Action is subject to many uncertainties, and the outcome of the matter is not predictable with any assurance.

Other Litigation—We are also engaged in other proceedings incidental to the normal course of business. Due to their nature, such legal proceedings involve inherent uncertainties, including but not limited to, court rulings, negotiations between affected parties and governmental intervention. We will establish reserves for matters that are probable and estimable in amounts we believe are adequate to cover reasonable adverse judgments. Based upon the information available to us and discussions with legal counsel, it is our opinion that the outcome of the various legal actions and claims that are incidental to our business will not have a material adverse impact on our consolidated financial position, results of operations or cash flows. Such matters are subject to many uncertainties, and the outcomes of individual matters are not predictable with assurance.

MANAGEMENT

Executive Officers and Directors

The following table sets forth information about the executive officers and directors that are expected to be in place upon consummation of this offering. With respect to our directors, each biography contains information regarding the person's service as a director, business experience, director positions held currently or at any time during the past five years, information regarding involvement in certain legal or administrative proceedings and the experience, qualifications, attributes or skills that caused our board of directors to determine that the person should serve as a director of our Company.

Name	Age	Position
Executive Officers		
Bahram Akradi	60	Founder, Chairman & Chief Executive Officer
Thomas E. Bergmann	55	President & Chief Financial Officer
Jeffrey G. Zwiefel	59	President & Chief Operating Officer
Eric J. Buss	54	Executive Vice President & Chief Administrative Officer
Parham Javaheri	45	Executive Vice President & Chief Property Development Officer
RJ Singh	49	Executive Vice President & Chief Digital Officer
Directors		
Jimena Almendares	41	Director
Joel Alsfine	52	Director
Jonathan Coslet	56	Director
John G. Danhakl	65	Director
J. Kristofer Galashan	43	Director
Paul Hackwell	41	Director
David A. Landau	55	Director
Stuart Lasher	62	Director
Alejandro Santo Domingo	44	Director
Andres Small	41	Director

Bahram Akradi founded our Company in 1992 and has been a director since our inception. Mr. Akradi was elected Chief Executive Officer and Chairman of the Board of Directors in May 1996. Mr. Akradi has over 30 years of experience in healthy way of life initiatives. From 1984 to 1989, he led U.S. Swim & Fitness Corporation as its Co-Founder and Executive Vice President. Mr. Akradi was a founder of the Health and Fitness Industry Leadership Council. Mr. Akradi serves as Chairman of the board of directors of Northern Oil & Gas Inc. (NYSE: NOG). Our board of directors has concluded that Mr. Akradi should serve as a director because of his perspective and the experience he brings as our Founder and Chief Executive Officer.

Thomas E. Bergmann joined our Company in February 2016 and serves as President and Chief Financial Officer. Prior to that, he served as Chief Financial Officer at Amsted Industries, Inc. from 2009 to February 2016. Mr. Bergmann was previously employed as Chief Financial Officer for Harley-Davidson, Inc. from 2006 to 2009 and also served as Interim President for Harley-Davidson Financial Services from 2008 to 2009. Prior to 2006, Mr. Bergmann was Senior Vice President and Chief Financial Officer, and Executive Vice President and Interim Chief Executive Officer for USF Corporation from 2004 to 2005; Vice President and Controller and Vice President, Finance and Services by Sears, Roebuck & Co. from 2002 to 2003; Vice President and Treasurer for The St. Paul Companies, Inc. from 1999 to 2002. Mr. Bergmann also held senior global finance roles at Johnson & Johnson from 1995 to 1999 and at Honeywell, Inc. from 1988 to 1995.

Jeffrey G. Zwiefel joined our Company in December 1998 as Vice President, Health Enhancement Division and became Vice President of Fitness, Training and New Program Development in January 2004. Mr. Zwiefel was named Senior Vice President, Life Time University in March 2005. Mr. Zwiefel was named Executive Vice

President of Operations in 2008, and Executive Vice President and Chief of Operations in October 2011. In October 2013, Mr. Zwiefel was named Executive Vice President and Chief Operating Officer. In April 2021, Mr. Zwiefel was named President and Chief Operating Officer. Mr. Zwiefel has over 35 years of comprehensive and diverse experience in the health, fitness and wellness industry. Prior to joining our Company in 1999, Mr. Zwiefel worked for over nine years with NordicTrack, Inc. where he served most recently as Vice President, Product Development.

Eric J. Buss joined our Company in September 1999 as Vice President of Finance and General Counsel. Mr. Buss was elected Secretary in September 2001 and was named Senior Vice President of Corporate Development in December 2001 and Executive Vice President in August 2005. In December 2010, Mr. Buss transitioned from General Counsel and Secretary to become responsible for the Company's media division in addition to Executive Vice President. In August 2013, Mr. Buss transitioned to support the finance function. Mr. Buss was appointed Executive Vice President and Chief Financial Officer in July 2014. In March 2016, Mr. Buss transitioned to his current role of Executive Vice President and Chief Administrative Officer where he oversees the Company's legal, risk, human resources, corporate development and communications groups. Prior to joining our Company, Mr. Buss was an associate with the law firm of Faegre & Benson LLP (now Faegre Drinker Biddle & Reath LLP) from 1996 to August 1999.

Parham Javaheri joined our Company in December 2004 as Development Manager and serves as the Executive Vice President and Chief Property Development Officer. Mr. Javaheri has led our Company's real estate and development division since 2014. In 2015, he was named Vice President of Real Estate and Development and in March 2017, he was named Senior Vice President of Real Estate and Development. Mr. Javaheri has over 20 years of experience in real estate, development and construction. Prior to joining our Company in 2004, Mr. Javaheri was Project Manager of Alliant Engineering, Inc.

RJ Singh joined our Company in April 2017 and serves as the Executive Vice President and Chief Digital Officer. Prior to joining our Company, he served as Vice President of Information Technology at Lifetouch from October 2013 to March 2017 where he oversaw the corporate technology function, including IT Shared Services, Infrastructure and Operations, Corporate Application Development and IT Security. From 2007 to 2013, Mr. Singh served as Vice President, IT Strategy and Planning and Chief Architect, Director of Enterprise Architecture at Blue Cross and Blue Shield of Minnesota. Prior to that, Mr. Singh held various senior, manager, engineer and analyst positions at United Health Group, Allianz Life, Ishan Incorporated, Signature Software, Norwest Mortgage and Minnesota Mutual.

Jimena Almendares has served as a member of our board of directors since April 2021. Ms. Almendares is currently a product executive at Facebook, where she has worked since May 2020. Prior to Facebook, she was the Vice President of Global Expansion at Intuit from 2018 to 2020, Chief Executive Officer of Intuit Payments from 2017 to 2019 and Vice President of Payments Segment Leader from 2017 to 2018. From 2014 to 2016, she served as Chief Product Officer of OkCupid, leading the company through its initial public offering as part of the Match Group. She previously served on the board of directors of Inuit Mexico (NASDAQ: INTU). Our board of directors has concluded that Ms. Almendares should serve as a director because of her nearly two decades of experience leading cross-functional teams at public companies and growth start-ups and her significant experience with emerging and digital technologies.

Joel Alsfine has served as a member of our board of directors since July 2019. Until December 2020, Mr. Alsfine was a Partner at MSD Capital, an investment firm. Mr. Alsfine joined MSD Capital in 2002 as an analyst focusing on investing in public equity securities and subsequently became the portfolio manager of a large, concentrated public equity portfolio. Mr. Alsfine became a Partner of MSD Capital in February 2014. Prior to joining MSD Capital, Mr. Alsfine worked at TG Capital Corp, a single-family investment office investing across all asset classes, McKinsey & Company, and accounting firm Fisher Hoffman Stride. Mr. Alsfine is currently a member of the board of directors of Asbury Automotive Group Inc. (NYSE: ABG) and Party City Holdings Corp (NYSE: PRTY). He is also an independent director of CC Neuberger Principal Holdings II

(NYSE: PRPB), a special purpose acquisition company. Our board of directors has concluded that Mr. Alsfine should serve as a director because of his extensive capital markets, investment, financial and risk management experience from his executive and consulting roles, as well as his experience serving as a director of various public and private companies and as an analyst focusing on public company equity.

Jonathan Coslet has served as a member of our board of directors since June 2015. Mr. Coslet is a Senior Partner of TPG, a global alternative asset firm and an affiliate of our Company, where he has worked since 1993. Prior to joining TPG, he worked at Donaldson, Lufkin & Jenrette, and before that, at Drexel Burnham Lambert, where he started his career. Mr. Coslet previously served on the board of directors of IQVIA Holdings Inc. (NYSE: IQV) and PETCO Animal Supplies, Inc. (NASDAQ: WOOF). He currently serves on the board of directors of Cushman & Wakefield plc (NYSE: CWK). Our board of directors has concluded that Mr. Coslet should serve as a director because of his 25 years of experience in advising and growing companies, his extensive management and board of director experience and his finance background.

John G. Danhakl has served as a member of our board of directors since June 2015. Mr. Danhakl is Managing Partner of LGP, an affiliate of our Company. Mr. Danhakl joined LGP in 1995. Previously, Mr. Danhakl was a Managing Director in the Los Angeles office of Donaldson, Lufkin & Jenrette ("DLJ"). Prior to DLJ, Mr. Danhakl was a Vice President in corporate finance at Drexel Burnham Lambert, Inc. Mr. Danhakl currently serves on the board of directors of IQVIA (NYSE: IQV) and Mister Car Wash, Inc. (NYSE: MCW). Our board of directors has concluded that Mr. Danhakl should serve as a director because of his extensive experience serving as on the board of directors of public companies and his extensive experience as a board member, investor and financial analyst.

J. Kristofer Galashan has served as a member of our board of directors since March 2015. Mr. Galashan is a partner of LGP, an affiliate of our Company. Mr. Galashan joined LGP in 2002. Prior to joining LGP, he worked in the Investment Banking Division of Credit Suisse First Boston (formerly DLJ) in their Los Angeles office. Mr. Galashan currently serves on the board of directors of The Container Store (NYSE: TCS), USHG Acquisition Corp (NYSE: HUGS) and Mister Car Wash, Inc. (NYSE: MCW), and previously served on the board of directors for BJ's Wholesale Club (NYSE: BJ). Our board of directors has concluded that Mr. Galashan should serve as a director because of his extensive experience investing in and supporting high-growth, market-leading companies.

Paul Hackwell has served as a member of our board of directors since June 2015. Mr. Hackwell is a Partner at TPG, a global alternative asset firm and an affiliate of our Company, where he co-leads the Consumer group. Mr. Hackwell joined TPG in 2006. He was involved in TPG's investments in Adare Pharmaceuticals, Aptalis Pharma, Arden Group (Gelson's), AV Homes, Norwegian Cruise Line, Playa Hotels & Resorts and Taylor Morrison, including serving as a director of Playa Hotels & Resorts (NASDAQ: PLYA). Our board of directors has concluded that Mr. Hackwell should serve as a director because of his extensive board of director and finance experience.

David Landau has served as a member of our board of directors since June 2015. Mr. Landau is the Managing Partner of LNK Partners, a private equity firm focused on building consumer and retail businesses, which he co-founded in 2005. Our board of directors has concluded that Mr. Landau should serve as a director because of his extensive investment, finance and board of director experience.

Stuart Lasher has served as a member of our board of directors since August 2015. Mr. Lasher is the Chairman and Chief Executive Officer of Quantum Capital Partners, a private investment firm based in Tampa, Florida, where he has worked since 1998. He was formerly Chairman and Chief Executive Officer of Lifestyle Family Fitness, a fitness chain with 55 locations, from September 2010 to July 2012. Mr. Lasher co-founded and served as Chairman and Chief Executive Officer of National Business Solutions, Inc. (NBS), a professional employer organization based in St. Petersburg, Florida. In August 1996, NBS was acquired by Paychex, Inc. and Mr. Lasher remained as Chief Executive Officer of the Paychex PEO division until June 1997. Mr. Lasher began

his professional career in public accounting with KPMG Peat Marwick. Mr. Lasher currently serves on the board of directors of Northern Oil & Gas (NYSE: NOG). Our board of directors has concluded that Mr. Lasher should serve as a director because of his extensive experience in accounting and finance and his service as a director of various public and private companies.

Alejandro Santo Domingo has served as a member of our board of directors since July 2019.Mr. Santo Domingo is a Senior Managing Director at Quadrant Capital Advisors, Inc., an investment advisory firm. He is a member of the board of directors of Anheuser-Busch Inbev (NYSE: BUD) and until 2016 was a member of the board of directors of SabMiller Plc, where he was also Vice Chairman of SabMiller Plc for Latin America. He was also Vice-Chairman of SABMiller Plc. for Latin America. Mr. Santo Domingo also currently serves as a director of JDE Peet's N.V. (OTCMKTS: JDEPF), an international coffee and tea company, ContourGlobal plc (LON: GLO), a diversified international power generation company, and Advanced Merger Partners, Inc. (NYSE: AMPI), a special purpose acquisition company affiliated with Houlihan Lokey, Inc. In the non-profit sector, Mr. Santo Domingo is Chair of the Wildlife Conservation Society and Fundación Santo Domingo. He is also a member of the board of the Metropolitan Museum of Art, DKMS, a foundation dedicated to finding donors for leukemia patients, Channel 13/WNET (PBS), Mount Sinai Health System and Fundación Pies Descalzos, a foundation focused on impoverished children in Colombia. Our board of directors has concluded that Mr. Santo Domingo should serve as a director because of his significant investment experience across a variety of industries and in private and public debt and equity securities.

Andres Small has served as a member of our board of directors since January 2020. Mr. Small is a Senior Investment Leader at Partners Group (USA) Inc., a global private markets firm, where he has worked since September 2014. From January 2005 to March 2011, Mr. Small was a private equity transactor focusing on emerging markets at CVC International. Our board of directors has concluded that Mr. Small should serve as a director because of his extensive professional experience, management, and business advisory positions.

Composition of the Board of Directors after this Offering

Our business and affairs are managed under the direction of our board of directors. Our board of directors currently consists of 14 directors (including three vacancies). Following the completion of this offering, we expect our board of directors to initially consist of 13 directors (including two vacancies).

Pursuant to the Stockholders Agreement described under "Certain Relationships and Related Party Transactions—Stockholders Agreement," certain members of the Voting Group will be entitled to designate individuals to be included in the slate of nominees recommended by our board of directors for election to our board of directors. Upon the consummation of this offering, the 13 directors (including two vacancies) comprising our board of directors will be as follows:

- our Founder, Bahram Akradi;
- three individuals nominated by TPG (including one vacancy) – currently Jonathan Coslet, Paul Hackwell and one vacancy;
- three individuals nominated by LGP (including one vacancy) – currently John G. Danhakl, J. Kristofer Galashan and one vacancy;
- one individual nominated by LNK – currently David Landau;
- one individual nominated by MSD – currently Joel Alsfine;
- one individual nominated by LifeCo – currently Alejandro Santo Domingo;
- one individual nominated by PG – currently Andres Small;
- one individual nominated by our Founder – currently Stuart Lasher; and
- Jimena Almendares.

Following the consummation of this offering, nomination rights for these members of the Voting Group shall be subject to the following thresholds:

- so long as TPG (i) has not, following the consummation of this offering, sold shares of our common stock, through one or more transactions, resulting in TPG receiving aggregate gross proceeds in an amount at least equal to its initial investment in the Company (the "TPG Initial Investment Sell-Down"), TPG will be entitled to nominate three directors, (ii) has effected the TPG Initial Investment Sell-Down, and owns shares of our common stock greater than or equal to 15% of the then outstanding shares of our common stock, TPG will be entitled to nominate two directors, (iii) owns less than 15%, but greater than or equal to 10% of the then outstanding shares of our common stock, TPG will be entitled to nominate one director and (iv) owns less than 10% of the then outstanding shares of our common stock, TPG will not be entitled to nominate a director;
- so long as LGP (i) has not, following the consummation of this offering, sold shares of our common stock, through one or more transactions, resulting in LGP receiving aggregate gross proceeds in an amount at least equal to its initial investment in the Company (the "LGP Initial Investment Sell-Down"), LGP will be entitled to nominate three directors, (ii) has effected the LGP Initial Investment Sell-Down, and owns shares of our common stock greater than or equal to 15% of the then outstanding shares of our common stock, LGP will be entitled to nominate two directors, (iii) owns less than 15%, but greater than or equal to 10% of the then outstanding shares of our common stock, LGP will be entitled to nominate one director and (iv) owns less than 10% of the then outstanding shares of our common stock, LGP will not be entitled to nominate a director;
- so long as LNK, MSD Investors, LifeCo or PG, as applicable, (i) has not, following the consummation of this offering, sold shares of our common stock, through one or more transactions, resulting in LNK, MSD, LifeCo or PG, as applicable, receiving aggregate gross proceeds in an amount at least equal to its initial investment in the Company (the "Other Stockholder Initial Investment Sell-Down"), LNK, MSD, LifeCo and PG, as applicable, will each be entitled to nominate one director and (ii) has effected the Other Stockholder Initial Investment Sell-Down, LNK, MSD, LifeCo and PG, as applicable, will not be entitled to nominate a director; and
- so long as Mr. Akradi serves as Chief Executive Officer of the Company, he will be entitled to nominate one director and if Mr. Akradi ceases to serve as Chief Executive Officer, he will not be entitled to nominate a director.

Each member of the Voting Group will also agree to vote his or her shares in favor of the directors nominated by the Voting Group.

Pursuant to the Stockholders Agreement, we will also provide certain members of the Voting Group with the right to designate an individual with board observer rights or to be provided with non-confidential board information, subject to certain stock ownership thresholds.

In accordance with our amended and restated certificate of incorporation that will be in effect upon the closing of this offering, our board of directors will be divided into three classes with staggered three-year terms. At each annual meeting of stockholders after the initial classification, the successors to the directors whose terms will then expire will be elected to serve from the time of election and qualification until the third annual meeting following their election. Our directors will be divided among three classes as follows:

- the Class I directors will be Bahram Akradi, Andres Small, Alejandro Santo Domingo and David A. Landau, and their terms will expire at the annual meeting of stockholders to be held in 2022;

- the Class II directors will be Jonathan Coslet, J. Kristofer Galashan, Joel Alsfine and Stuart Lasher, and their terms will expire at the annual meeting of stockholders to be held in 2023; and
- the Class III directors will be John G. Danhakl, Paul Hackwell and Jimena Almendares, and their terms will expire at the annual meeting of stockholders to be held in 2024.

Pursuant to the terms of the Stockholders Agreement, directors nominated by members of the Voting Group may only be removed at the request of the applicable member of the Voting Group that nominated such director in accordance with the bylaws of the Company then in effect. In all other cases and at any other time, directors may only be removed for cause by the affirmative vote of the holders of at least a majority of our common stock.

This classification of our board of directors may have the effect of delaying or preventing changes in control of our Company. Directors may only be removed for cause by the affirmative vote of the holders of at least a majority of our common stock.

Director Independence and Controlled Company Exception

Pursuant to the corporate governance listing standards of the NYSE, a director employed by us cannot be deemed to be an "independent director." Each other director will qualify as "independent" only if our board of directors affirmatively determines that he has no material relationship with us, either directly or as a partner, shareholder or officer of an organization that has a relationship with us. Ownership of a significant amount of our common stock, by itself, does not constitute a material relationship.

Our board of directors is expected to affirmatively determine that each of our directors other than Mr. Akradi, Mr. Landau and Mr. Lasher qualify as "independent" in accordance with the NYSE rules. In making its independence determinations, our board of directors is expected to consider and review all information known to it (including information identified through directors' questionnaires).

After the completion of this offering, the Voting Group will collectively continue to beneficially own more than 50% of our common stock and voting power. As a result, we will be a "controlled company" within the meaning of the NYSE corporate governance standards. As a "controlled company," we may elect not to comply with certain corporate governance standards, including the requirements:

- that a majority of our board of directors consist of independent directors;
- that our board of directors have a nominating and corporate governance committee that is composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities;
- that our board of directors have a compensation committee that is composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities; and
- for an annual performance evaluation of the nominating and corporate governance committee and compensation committee.

Following this offering, we intend to rely on certain of the exemptions listed above, and we will not have a nominating and corporate governance committee or compensation committee that consists entirely of independent directors and such committees may not be subject to annual performance evaluations. We may also elect to rely on additional exemptions for so long as we remain a "controlled company." As a result, in the future our board of directors and those committees may have more directors who do not meet the NYSE's independence standards than they would if those standards were to apply. The independence standards are intended to ensure that directors who meet those standards are free of any conflicting interest that could influence their actions as directors. Accordingly, you will not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of the NYSE. In the event that we cease to be a

"controlled company" and our common stock continues to be listed on the NYSE, we will be required to comply with these provisions within the applicable transition periods.

Leadership Structure of the Board of Directors

Our board of directors has combined the roles of Chairman of the Board and Chief Executive Officer. These positions will be held by Bahram Akradi, as our Founder, Chairman and Chief Executive Officer at the consummation of this offering. The board of directors has determined that combining these positions will serve the best interests of the Company and its stockholders. The board of directors believes that the Company's Founder and Chief Executive Officer is best situated to serve as Chairman because he is the director most familiar with the Company's business and industry, and most capable of effectively identifying strategic priorities and leading the consideration and execution of strategy. The board of directors believes that the combined position of Chairman and Chief Executive Officer promotes the development of policy and plans, and facilitates information flow between management and the board of directors, which is essential to effective governance.

Background and Experience of Directors

When considering whether directors and nominees have the experience, qualifications, attributes or skills, taken as a whole, to enable our board of directors to satisfy its oversight responsibilities effectively in light of our business and structure, the board of directors focused primarily on each person's background and experience as reflected in the information discussed in each of the directors' individual biographies set forth above. We believe that our directors provide an appropriate mix of experience and skills relevant to the size and nature of our business. Once appointed, directors serve until their term expires, they resign or they are removed by the stockholders.

Committees of the Board of Directors

Upon consummation of this offering, our board of directors will have the following committees: an audit committee, a compensation committee and a nominating and corporate governance committee. From time to time, our board of directors may also establish any other committees that it deems necessary or desirable.

Our Founder, Chairman and Chief Executive Officer and other executive officers will regularly report to the non-executive directors and the audit, the compensation and the nominating and corporate governance committees to ensure effective and efficient oversight of our activities and to assist in proper risk management and the ongoing evaluation of management controls. We believe that the leadership structure of our board of directors provides appropriate risk oversight of our activities given the controlling interests held by the Voting Group.

Audit Committee. Upon consummation of this offering, we expect to have an audit committee consisting of Mr. Small, as chair, and Mr. Alsfine and Mr. Lasher. Rule 10A-3 of the Exchange Act requires us to have one independent audit committee member upon the listing of our common stock, a majority of independent directors on our audit committee within 90 days of the effective date of this registration statement and an audit committee composed entirely of independent directors within one year of the effective date of this registration statement. Our board of directors has determined that Mr. Lasher qualifies as an "audit committee financial expert" within the meaning of regulations adopted by the SEC. The audit committee appoints and reviews the qualifications and independence of our independent registered public accounting firm, prepares compensation committee reports to be included in proxy statements filed under SEC rules and reviews the scope of audit and non-audit assignments and related fees, the results of the annual audit, accounting principles used in financial reporting, internal auditing procedures, the adequacy of our internal control procedures, the quality and integrity of our financial statements and investigations into matters related to audit functions. The audit committee is also responsible for overseeing risk management on behalf of our board of directors. See "—Risk Oversight." Our board of directors will adopt a written charter for the audit committee, which will be available on our website upon the completion of this offering.

Compensation Committee. Upon consummation of this offering, we expect to have a compensation committee consisting of Mr. Danhakl, as chair, Mr. Akradi, Mr. Coslet, Mr. Landau and Mr. Lasher. The principal responsibilities of the compensation committee are to review and approve matters involving executive and director compensation, recommend changes in employee benefit programs, authorize equity and other incentive arrangements, prepare compensation committee reports to be included in proxy statements filed under SEC rules and authorize our Company to enter into employment and other employee-related agreements. Our board of directors will adopt a written charter for the compensation committee, which will be available on our website upon the completion of this offering.

Nominating and Corporate Governance Committee. Upon the consummation of this offering, we expect to have a nominating and corporate governance committee consisting of Mr. Akradi, as chair, Mr. Coslet, Mr. Danhakl, Mr. Galashan and Mr. Hackwell. The nominating and corporate governance committee assists our board of directors in identifying individuals qualified to become board members, consistent with criteria approved by our board of directors and in accordance with the terms of the NYSE, makes recommendations for nominees for committees, oversees the evaluation of the board of directors and management and develops, recommends to the board of directors and reviews our corporate governance principles. Our board of directors will adopt a written charter for the nominating and corporate governance committee, which will be available on our website upon the completion of this offering.

Risk Oversight

Our board of directors will have extensive involvement in the oversight of risk management related to us and our business and accomplishes this oversight primarily through the audit committee. To that end, our audit committee will meet quarterly with our Chief Financial Officer and our independent auditors where it will receive regular updates regarding our management's assessment of risk exposures including liquidity, credit and operational risks and the process in place to monitor such risks and review results of operations, financial reporting and assessments of internal controls over financial reporting.

Code of Business Conduct and Ethics

Prior to the consummation of this offering, we intend to adopt a code of business conduct and ethics applicable to all of our directors, officers (including our principal executive officer, principal financial officer and principal accounting officer) and employees that addresses legal and ethical issues that may be encountered in carrying out their duties and responsibilities, including the requirement to report any conduct they believe to be a violation of the code of business conduct and ethics. Our code of business conduct and ethics will be available on our website at *www.lifetime.life* under Investor Relations. The information available on or through our website is not part of this prospectus. If we ever were to amend or waive any provision of our code of business conduct and ethics that applies to our principal executive officer, principal financial officer, principal accounting officer or any person performing similar functions, we intend to satisfy our disclosure obligations with respect to any such waiver or amendment by posting such information on our internet website set forth above rather than by filing a Form 8-K.

Compensation Committee Interlocks and Insider Participation

None of our executive officers serves, or in the past year has served, as a member of the board of directors or compensation committee (or other committee performing equivalent functions) of any entity that has one or more executive officers serving on our board of directors or compensation committee. No interlocking relationship exists between any member of our compensation committee (or other committee performing equivalent functions) and any executive, member of the board of directors or member of the compensation committee (or other committee performing equivalent functions) and of any other company. We expect to enter into certain indemnification agreements with our directors and we are party to certain transactions with members of the Voting Group and affiliates thereof as described in "Certain Relationships and Related Party Transactions."

COMPENSATION DISCUSSION AND ANALYSIS

EXECUTIVE SUMMARY

In this Compensation Discussion and Analysis ("CD&A"), we provide an overview and analysis of the compensation paid to or earned by our named executive officers identified in the Summary Compensation Table below during fiscal 2020, including the elements of our compensation program for named executive officers, material compensation decisions made under that program for fiscal 2020 and the material factors considered in making those decisions. Where relevant, the discussion below also reflects certain contemplated changes to our compensation structure that occurred after fiscal 2020 or, where relevant, that we intend to implement following the effectiveness of the registration statement of which this prospectus forms a part.

What We Reward: Our compensation programs are designed to reward short-term and long-term Company performance, and we apply a strategic, principles-based approach to executive compensation in order to drive optimal business performance. The better our performance, the more value we can generate for stockholders, our employees whom we refer to as team members, and our community.

What We Emphasize: Our team members, including our named executive officers, drive our ability to excel. As a result, we provide competitive compensation packages that are intended to attract and retain key talent, and encourage our executives to drive long-term stockholder value. A material portion of such compensation packages are comprised of "at-risk" compensation that is dependent upon achievement of our strategic and operational business objectives.

2020 Compensation Decisions: Responding to the COVID-19 Crisis

Beginning in early 2020, we closed all of our centers based on orders and advisories from federal, state and local governmental authorities regarding COVID-19. The impact of COVID-19 on our business was substantial, including with respect to the closing of our centers and the limitations on our operations when our centers were allowed to re-open, the need to create a safe environment for our members, team members and communities, and managing the presence of coronavirus in our centers, including COVID-19 positive members or team members. Throughout this process, we were forced to make difficult decisions, including to initially furlough over 95% of our employees and to twice reduce the size of our workforce. During this period, our senior management initiated a series of proactive, voluntary steps to temporarily forego certain 2020 compensation opportunities otherwise payable to them for 2020. Each named executive officer took meaningful, voluntary adjustments in his compensation during 2020 to support the Company and its stakeholders, and we made several changes to our executive compensation program to conserve operating cash, as summarized below:

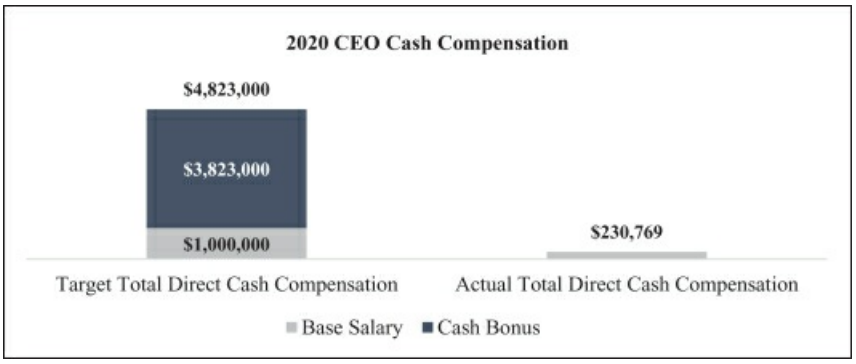
PAY ELEMENT	DETAIL/IMPACT
Base Salary	Beginning on March 15, 2020, Mr. Akradi decided to forego 100% of his base salary for the remainder of 2020. Our other named executive officers voluntarily agreed to forego 100% of their base salaries from March 15, 2020 through July 18, 2020, and 50% of their base salaries from July 19, 2020 through September 26, 2020.
Annual Bonus	Threshold levels of financial performance for our short-term incentive plans were not met, and short-term incentives under our annual incentive award program were not earned.

Despite the impact of COVID-19 on our business in 2020, our operations have increasingly rebounded in 2021. As of July 31, 2021, all of our centers had reopened and we recorded an increase in Center memberships from approximately 501,000 at the end of 2020 to approximately 674,000 as of July 31, 2021. In recognition of the performance of our executive team leading the Company through the pandemic, we determined in 2021 to

resume our executive compensation program and reward our executives for their significant efforts and leadership during 2020 as follows:

- On January 29, 2021, the amounts of base salary that had been foregone with respect to 2020 were paid to our named executive officers other than Mr. Akradi.
- Although the performance targets under the 2020 Bonus Program were not achieved, our named executive officers other than Mr. Akradi received discretionary bonuses equal to their target short-term incentive plan bonus opportunity for 2020 due to their hard work and leadership of our business during the COVID-19 pandemic.
- In consideration of Mr. Akradi's voluntarily foregoing the remainder of his cash compensation in 2020, an agreement to temporarily decrease his go-forward cash compensation for 2021 was put in place in order to reduce the cash burden on the Company in 2021. Mr. Akradi received 525,714 restricted stock units, which represented approximately two times his foregone salary and cash incentive and guaranteed bonuses with respect to 2020. Additionally, to again reduce the cash burden on the Company, the compensation committee approved a base salary of $50,000 and approved a grant to Mr. Akradi of 500,000 restricted shares of Series A Preferred Stock for 2021.

The following chart depicts the impact of the forfeitures mentioned above on Mr. Akradi's cash compensation in 2020.



The following CD&A discussion further explains these cash compensation adjustments and our executive compensation program for 2020.

DETAILS OF OUR 2020 EXECUTIVE COMPENSATION PROGRAM

Named Executive Officers

Our named executive officers for the year ended December 31, 2020, which consist of our principal executive officer, our principal financial officer and our three other most highly compensated executive officers for fiscal year 2020 (collectively, the "named executive officers") are:

NAME	TITLE
Bahram Akradi	Founder, Chairman and Chief Executive Officer
Thomas E. Bergmann	President and Chief Financial Officer
Eric J. Buss	Executive Vice President and Chief Administrative Officer
Ritadhwaja Jebens (RJ) Singh	Executive Vice President and Chief Digital Officer
Jeffrey G. Zwiefel	President and Chief Operating Officer

This section also describes the actions and decisions of our board of directors and compensation committee as it relates to fiscal 2020 compensation decisions. Where relevant, the discussion below also reflects certain contemplated changes to our compensation structure that occurred after fiscal 2020 or, where relevant, that we intend to implement following the effectiveness of the registration statement.

Compensation Philosophy, Objectives and Rewards

Our executive compensation program has been designed to motivate, reward, attract and retain high caliber executives responsible for driving our success. The program seeks to align executive compensation with our short-and long-term objectives, business strategy and financial performance which, in turn, aligns our named executive officers' interests with long-term stockholders' interests. Our compensation objectives are designed to support these goals by a principles-based approach that includes:

COMPENSATION OBJECTIVE	PRINCIPLED APPROACH
Stakeholder Alignment	Company and individual performance goals intended to clearly support our long-term vision and align compensation with the interests of stakeholders.
Competitiveness	We intend to attract and retain the highest caliber of named executive officers and other team members. As part of this effort, we pay competitively to our market for talent and differentiate pay for the highest performers.
Performance-Based Awards	Through our compensation programs, we strive to balance interests and drive superior Company performance. By committing to directly connecting incentive compensation with short-term corporate objectives as well as long-term growth, we seek to achieve sustained value for our stakeholders over time.
Risk Mitigation	Our compensation programs support a culture based on accountability through the use of performance metrics that are intended to be difficult, yet obtainable with hard work, and without directly or indirectly promoting irresponsible or excessive risk-taking.
Pay Equity	We believe in the power of equitable pay and are working to continuously improve pay equity into our compensation program reviews.
Transparency	We believe in transparency for our compensation programs, including their design and outcomes.

Determination of Compensation

Life Time, Inc., one of our wholly owned subsidiaries, was a public company until it was taken private in 2015. At the time of the go-private transaction, compensation packages with Messrs. Akradi, Buss and Zwiefel, who were then executives, were negotiated. Additionally, we negotiated compensation arrangements with Messrs. Bergmann and Singh in connection with their hire or promotion as new executives. Since then, our compensation committee has administered the executive compensation program relating to our executive officers in consultation with Mr. Akradi (other than with respect to his own compensation, which was set forth in his employment agreement and is reviewed and administered by our board of directors). The compensation committee annually reviews the performance of our executives and in connection with such individual assessments approves any changes to executive compensation and any grants of equity. The compensation committee also determines the annual cash incentive program in which our executives participate, including setting corporate goals and objectives that are consistent with our executive compensation philosophy and, in consultation with the audit committee, determining whether such goals and objectives were met for the year.

Following this offering, we expect to make determinations regarding compensation to be paid to our named executive officers based on our compensation objectives of motivating, rewarding, attracting and retaining key employees, including our named executive officers, and emphasizing the link between pay and performance.

Role of the board of directors and compensation committee. Following the consummation of this offering, we expect that our board of directors will be responsible for determining the compensation of our Chief Executive Officer in consultation with and based on recommendations from our compensation committee, and the compensation committee will generally oversee our executive compensation program for our other executives, including our other named executive officers.

Role of compensation consultant in 2020 and going forward. The board of directors did not engage an external compensation consultant in 2020. In April 2021 in preparation for this offering, the board of directors engaged Willis Towers Watson, an independent consulting firm, who is providing guidance regarding the amount and types of compensation that we will provide to our executives as a publicly traded company, how our compensation practices compare to the compensation practices of other companies, including with respect to a peer group of companies to be developed in consultation with Willis Towers Watson, and other compensation-related matters. Willis Towers Watson reports directly to the board of directors, although Willis Towers Watson may meet with members of management for the purposes of gathering information on proposals that management may make to the board of directors. We expect that following the completion of this offering, Willis Towers Watson will report to the compensation committee. Willis Towers Watson also provides property and construction risk and insurance brokerage services to the Company. For 2020, the fees for such brokerage services were approximately $180,000.

Role of management. In setting compensation for 2020, our Chief Executive Officer and Chief Financial Officer worked closely with the board of directors and compensation committee to determine appropriate levels of pay and the annual cash-based incentives and performance goals under our 2020 Bonus Program. Our Chief Executive Officer makes recommendations to the board of directors regarding compensation changes for our executive officers (other than himself) because of his daily involvement with our executive team. No executive officer participated directly in the final deliberations or determinations regarding his or her own compensation package.

Use of comparative market data going forward. In preparation for this offering, the board of directors will assess (and will continue to assess) the competitiveness of each element of the executive officers' total direct compensation against an executive pay peer group, which is intended to be established in consultation with Willis Towers Watson.

In developing this peer group, we expect the board of directors will be considering a number of factors, including:

- **Size and Complexity** of the organization based on revenue and market capitalization;
- **Our Market for Talent** (companies from which we source and potentially lose executive talent); and
- **Company Characteristics** such as companies with a focus on hospitality, premium lifestyle brand recognition, multi-operating units, subscription-based revenue generation, and health and wellness focused organizations.

The board of directors does not intend to establish compensation levels solely based on a review of competitive data. However, it believes such data is a meaningful input to our compensation policies and practices in order to motivate, attract and retain qualified executive officers. The board of directors may also consider a number of other factors, including company performance relative to our stakeholder priorities, each executive's impact and criticality to our strategy and mission, relative scope of responsibility and potential, individual performance and demonstrated leadership, and internal equity pay considerations.

Elements of Our Executive Compensation Program

Historically, and for fiscal 2020, our executive compensation program consisted of the elements highlighted in the table below, each established to achieve the compensation objective specified below. We view each component of our executive compensation program as related but distinct, and we also intend to regularly reassess the total compensation of our named executive officers to meet our overall compensation objectives. Historically, not all components have been provided to all named executive officers. In addition, we have determined the appropriate level for each compensation component based in part, but not exclusively, on our understanding of the competitive market based on the experience of members of the board of directors and compensation committee and consistent with our recruiting and retention goals, the length of service of our named executive officers, our overall performance, and other considerations we consider appropriate for setting compensation.

We do not currently have, and we do not expect to have, formal policies relating to the allocation of total compensation among the various elements of our compensation program.

As we continue to develop a public company compensation structure, we anticipate that we will increasingly rely on benchmarking and other market data provided by external consultants in setting compensation for our executive officers, including our named executive officers. Accordingly, the compensation paid to our named executive officers for fiscal 2020 is not necessarily indicative of how we will compensate our named executive officers after this offering.

COMPENSATION ELEMENT	COMPENSATION OBJECTIVES DESIGNED TO BE ACHIEVED AND KEY FEATURES
Base Salary	Attracts and retains key talent by providing base cash compensation at competitive levels
Cash-Based Incentive Compensation	Provides short-term incentives based on annual performance
Equity-Based Compensation	Provides long-term incentives to drive financial and operational performance and align our executives' interests with our stockholders' interests
Health and Welfare Benefits and Perquisites	Motivates and rewards key talent through the provision of reasonable and competitive benefits
Deferred Compensation and Other Retirement Benefits	Attracts and retains key talent by providing vehicles to plan for the future
Employment and Severance Arrangements	Retains key talent through the provision of protections in the event of certain qualifying terminations or corporate events

Base Salary

The base salaries of our named executive officers are an important part of their total compensation package, and are intended to reflect their respective positions, duties and responsibilities. Base salary is a visible and stable fixed component of our compensation program. We intend to continue to evaluate the mix of base salary, short-term incentive compensation and long-term incentive compensation to appropriately align the interests of our named executive officers with those of our stockholders.

Effective March 15, 2020, in response to theCOVID-19 pandemic and its impact on the cash flow of our business and to align with the long-term interests of the Company, our executives volunteered to forego their base salaries. Mr. Akradi declined any salary for the remainder of 2020 and 100% of the salaries for our named executive officers other than Mr. Akradi were voluntary foregone from March 15, 2020 through July 18, 2020, and 50% foregone from July 19, 2020 through September 26, 2020, following which time such reductions ceased

and salaries were fully restored to pre-COVID-19 amounts. On January 29, 2021, the salary amounts that had been foregone by our executives were fully repaid in respect of 2020 service, other than with respect to Mr. Akradi who did not receive his base salary amount that had been foregone.

The following table sets forth the base salaries paid to our named executive officers for fiscal 2020 (including amounts that were foregone by the executives but later paid in 2021):

NAMED EXECUTIVE OFFICER	FISCAL 2020 BASE SALARY
Bahram Akradi (1)	$ 230,769
Thomas E. Bergmann	$ 600,000
Eric J. Buss	$ 500,000
RJ Singh (2)	$ 389,231
Jeffrey G. Zwiefel	$ 600,000

(1) Mr. Akradi voluntarily agreed to forego his 2020 base salary (initially set at $1,000,000) following March 15, 2020.
(2) Effective April 1, 2020, Mr. Singh's base salary was increased from $360,000 to $400,000.

2021 Base Salary Adjustments

For 2021, our compensation committee determined that our named executive officers will be entitled to the following base salaries:

NAMED EXECUTIVE OFFICER	FISCAL 2021 BASE SALARY
Bahram Akradi (1)	$ 50,000
Thomas E. Bergmann	$ 750,000
Eric J. Buss	$ 600,000
RJ Singh	$ 550,000
Jeffrey G. Zwiefel	$ 750,000

(1) In lieu of the vast majority Mr. Akradi's cash base salary for 2021, Mr. Akradi agreed to receive stock-based grants as described immediately below in "—2021 CEO Compensation."

In connection with this offering, the board of directors approved base salary increases for each of Messrs. Bergmann, Buss, Singh and Zwiefel to $900,000, $750,000, $600,000 and $900,000, respectively, effective as of closing of this offering.

2021 CEO Compensation

For 2021, our compensation committee, in consultation with Mr. Akradi and our board of directors, established a new compensation program for Mr. Akradi, whom it considers critical to retain and incentivize in light of his sustained and unparalleled leadership since the inception of the Company. Under the new program, the compensation committee reduced Mr. Akradi's base salary from $1,000,000 to $50,000 and set his target bonus at $0, per Mr. Akradi's preference. In lieu of such cash compensation for 2021 and in light of the foregone salary and bonuses in 2020, the compensation committee determined to grant Mr. Akradi equity awards of 525,714 restricted stock units and 500,000 shares of restricted Series A Preferred Stock, which it viewed as an important tool for further aligning Mr. Akradi's interests with those of the Company's stockholders and incentivizing the creation of long-term value for the Company.

Cash-Based Incentive Compensation

2020 Bonus Program

We consider annual cash incentive bonuses to be an important component of our total compensation program and they provide incentives necessary to retain executive officers. We use cash bonuses to motivate our executive officers to achieve our short-term financial and strategic objectives while making progress towards our longer-term growth and other goals.

Each named executive officer was eligible to receive an annual performance-based cash bonus based on a specified target annual bonus award amount, as follows:

NAMED EXECUTIVE OFFICER	FISCAL 2020 TARGET BONUS
Bahram Akradi	$ 2,823,000
Thomas E. Bergmann	$ 500,000
Eric J. Buss	$ 225,000
RJ Singh(1)	$ 200,000
Jeffrey G. Zwiefel	$ 400,000

(1) Effective April 1, 2020, Mr. Singh's target bonus opportunity was increased from $180,000 to $200,000.

For 2020, we operated an annual cash-based incentive program for eligible team members, including our named executive officers, pursuant to which participants could receive bonuses based on our achievement of specified Management EBITDA targets (the "2020 Bonus Program"). For purposes of the 2020 Bonus Program, "Management EBITDA" is defined as net income (loss) before interest expense, net, provision for (benefit from) income and depreciation and amortization, excluding the impact of share-based compensation expense, pre-opening expenses, non-cash rent expense, gain (loss) on sale-leaseback transactions, capital transaction costs, legal settlements, asset impairment, severance, and other adjustments that are not indicative of our ongoing operations including incremental costs related to COVID-19, as further adjusted for incremental rent expenses incurred subsequent to the take-private transaction in 2015.

Under the 2020 Bonus Program, each named executive officer, other than Mr. Akradi, was eligible for a bonus amount in connection with the achievement of certain specified threshold, target and/or maximum Management EBITDA bonus targets. Bonus payouts were to be determined using linear interpolation if achievement fell between threshold and target or target and maximum levels. If the threshold Management EBITDA targets were not achieved for fiscal 2020, no bonuses were to have been paid out under the 2020 Bonus Program. If the maximum Management EBITDA targets were exceeded with respect to fiscal 2020, participants would still only be eligible to receive payouts equal to their maximum bonus opportunity.

Our named executive officers other than Mr. Akradi were subject to the following Management EBITDA targets for fiscal 2020:

MANAGEMENT EBITDA GOAL	MANAGEMENT EBITDA (IN MILLIONS)
Threshold	$ 575.0
Target	$ 591.0
Maximum	$ 605.0

For fiscal 2020, Mr. Akradi was subject to Management EBITDA targets pursuant to his employment agreement, as set forth below:

MANAGEMENT EBITDA GOAL	MANAGEMENT EBITDA (IN MILLIONS)
Threshold	$ 522.5
Target	$ 550.0
Maximum	$ 577.5

In addition to the objective component of the 2020 Bonus Program, each named executive officer other than Mr. Akradi was eligible to receive a subjective bonus amount as determined by Mr. Akradi in his discretion. Messrs. Bergmann, Buss, Singh and Zwiefel were eligible to receive up to $100,000, $50,000, $100,000 and $75,000, respectively, as an individual discretionary bonus. These bonuses were not paid for 2020.

Given the effects of the COVID-19 pandemic on our business, the threshold performance level under the 2020 Bonus Program was not achieved. As a result, no payouts were made under the 2020 Bonus Program.

Following the completion of this offering and starting for 2022, we expect that our board of directors and/or the compensation committee will establish and administer a new cash incentive program pursuant to which our executives will be eligible to earn incentive bonuses based on the achievement of pre-established performance goals. In connection with this offering, the board of directors approved target bonus opportunities for Mr. Akradi of 200% of his base salary and for each of Messrs. Bergmann, Buss, Singh and Zwiefel of 67% of their respective base salaries, commencing as of fiscal year 2022.

CEO Guaranteed Bonus

Mr. Akradi was also entitled to a $1,000,000 guaranteed bonus for 2020 pursuant to his employment agreement. As discussed above in the section titled “Executive Summary—2020 Compensation Decisions: Responding to the COVID-19 Crisis”, Mr. Akradi voluntarily agreed to forego his right to receive such bonus for 2020.

2020 Special Bonuses

Our corporate performance goals under the 2020 Bonus Program were approved in early 2020 before theCOVID-19 pandemic had begun to significantly impact economic activity in the United States and therefore did not take into account any anticipated impact of COVID-19 on our annual performance.

We determined in our discretion to award specialone-time cash bonuses to each named executive officer other than Mr. Akradi equal to such executive’s target bonus opportunity under the 2020 Bonus Program in recognition of the extraordinary efforts required from these executives to successfully lead the Company through the COVID-19 pandemic, as set forth below:

NAMED EXECUTIVE OFFICER	SPECIAL BONUS PAYOUT
Bahram Akradi	$ 0
Thomas E. Bergmann	$ 500,000
Eric J. Buss	$ 225,000
RJ Singh	$ 200,000
Jeffrey G. Zwiefel	$ 400,000

The amount of these special bonuses awarded to each named executive officer for fiscal 2020 are included below in the Summary Compensation Table in the column entitled “Bonus.”

Equity-Based Compensation

We view equity-based compensation as a critical component of our balanced total compensation program. Equity-based compensation creates an ownership culture among our executives that provides an incentive to contribute to the continued growth and development of our business and aligns interest of executives with those of our stockholders.

While we do not currently have any formal policy for determining the number of equity-based awards to grant to named executive officers, to reward and retain our executive officers in a manner that best aligns their interests with the interests of our stockholders, we have historically used a combination of stock options vesting based on both time and performance conditions, and on occasion, restricted stock and restricted stock units as equity incentive vehicles. Because our executive officers are able to benefit from stock options only if the market price of our common stock increases relative to the option’s exercise price, we believe stock options provide

meaningful incentives to our executive officers to achieve increases in the value of our stock over time, while restricted stock and restricted stock units promote ownership and retention. In addition, by granting equity awards emphasizing our commitment to "at risk" compensation, we believe performance-based stock options and restricted stock awards are an effective tool for meeting our compensation goal of increasing long-term stockholder value by tying the receipt of the shares underlying such awards to our future performance.

We currently maintain the LTF Holdings, Inc. 2015 Equity Incentive Plan (as amended, the "2015 Plan"), pursuant to which we have historically granted awards to our eligible service providers, including our named executive officers.

Under the 2015 Plan, Mr. Akradi was granted an option to purchase 9,388,000 shares of our common stock on October 6, 2015 at an exercise price of $10.00, that is eligible to vest and become exercisable based upon our principal stockholders' receipt of proceeds equal to specified multiples of their investment or an internal rate of return in connection with, and measured as of the occurrence, of (i) a change of control, (ii) an initial public offering, and/or (iii) the date of Mr. Akradi's termination of employment by reason of death or disability, subject to his continued employment through the date of such event. Specifically, Mr. Akradi's options would be eligible to vest in three equal tranches in connection with any of the foregoing events if the principal stockholders received proceeds of at least 2.0, 2.5 and 3.0 times their investment, respectively. Further, solely in the event of a change of control, such options would be eligible to vest in two equal tranches in which the principal stockholders received proceeds resulting in an internal rate of return of at least 20% and 25%, respectively, if such calculation would result in additional vesting for Mr. Akradi. The performance conditions with respect to Mr. Akradi's options were deemed satisfied by our board of directors in 2019, as described below.

In addition, (i) Messrs. Bergmann, Buss and Zwiefel were granted 1,200,000, 750,000 and 900,000 options, respectively, on June 8, 2016 at an exercise price of $10.00 per share; (ii) Messrs. Singh and Zwiefel were each granted 100,000 options on March 31, 2017 and March 23, 2017, respectively, at an exercise price of $11.48 per share (of which, for Mr. Singh, 20,000 options were then repurchased by the Company in July 2019 (see "Certain Relationships and Related Party Transactions—Stock Option Purchase Offer")); and (iii) Mr. Singh was granted 170,000 options on February 10, 2020 at an exercise price of $25.00 per share in connection with his promotion to his current position with the Company. Each option for our other named executive officers vests in five ratable installments on the first of the month of each of the first five anniversaries of the vesting commencement date and becomes fully vested and exercisable upon both a change of control or the expiration of the lock-up period related to an initial public offering (or death or disability) and the Company's having met certain performance metrics (other than with respect to Mr. Singh's 2020 option award, which was granted after the desired Company performance metrics applicable to the options awarded to our team members were already deemed satisfied), subject to the executive's continued employment through the applicable vesting and exercisability dates.

Our board of directors determined that the Company had met the necessary performance for the exercisability of our team members' (including each of our named executive officers) options as of July 3, 2019, and as a result the applicable performance conditions of such options were deemed met (though such options were still subject to the applicable time-based vesting requirement).

In connection with this offering, all outstanding options held by our named executive officers other than Mr. Akradi that were granted in 2020 or earlier will become fully vested and exercisable on the date following the expiration of the lock-up period related to this offering, and Mr. Akradi's options will become fully vested and exercisable as of the date of consummation of this offering.

2021 Incentive Award Plan. We intend to adopt a 2021 Incentive Award Plan, referred to below as the "2021 Plan", in order to facilitate the grant of cash and equity incentives to directors, employees (including our named executive officers) and other service providers to enable us to obtain and retain the services of these individuals, which is essential to our long-term success. For additional information regarding the 2021 Plan, please see the section titled "Equity Incentive Plans" below.

IPO Grants

We expect that we will grant certain of our employees, including our named executive officers, equity grants in connection with this offering, the terms of which have not yet been determined.

Health and Welfare Benefits and Perquisites

All of our full-time employees, including our named executive officers, are eligible to participate in our health and welfare plans, including:

- medical, dental and vision benefits;
- medical and dependent care flexible spending accounts;
- short-term and long-term disability insurance; and
- life insurance.

These benefits are provided to our named executive officers on the same general terms as they are provided to all of our full-time U.S. employees.

We also provide executive disability insurance to certain executives, including our named executive officers. Certain of our named executive officers also receive usage of a Company car, and phone and remote working, or "home connectivity", allowances. Home connectivity for Mr. Akradi includes a high-speed network providing seamless integration of the computing and telephonic environments at Mr. Akradi's home offices with those of our corporate headquarters, including the ability to use his home offices as a full-service remote location for business meetings. Phone allowance for our named executive officers includes a phone stipend paid monthly.

In addition to the benefits described above, our named executive officers received perquisites for which there was no incremental cost to us. These perquisites include use of company tickets to certain entertainment events and minor personal travel expenses associated with travel and lodging for which the purpose of the trip was primarily business-related and de minimis use of our Company's support staff for assistance with personal matters. In addition, Mr. Akradi receives the benefit of using a portion of a Company administrative assistant's time for his personal financial and administrative matters.

In addition, we maintain aircraft that are used primarily for business air travel by our executive officers. From time to time, certain of our executive officers use the Company aircraft for personal air travel. Further, personal guests accompanied Mr. Akradi and the other named executive officers from time to time while they utilized our aircraft for business-related purposes. However, there were no incremental costs for such guest travel.

We do not view perquisites or other personal benefits as a significant component of our executive compensation program. In the future, we may provide additional perquisites or other personal benefits in limited circumstances, such as where we believe it is appropriate to assist an individual executive officer in the performance of his or her duties, to make our executive officers more efficient and effective, and for recruitment, motivation or retention purposes. All future practices with respect to perquisites or other personal benefits for our named executive officers will be subject to periodic review by the compensation committee.

Tax Gross-Ups

Each of our named executive officers other than Mr. Akradi receives a tax gross-up associated with the use of a Company car provided to him. Messrs. Bergman, Buss, Singh and Zwiefel received gross-ups of $4,716, $5,112, $2,941 and $1,732, respectively, for 2020. Mr. Akradi receives a tax gross-up associated with his use of Company administrative support for assistance with his personal financial and administrative matters, which amount was $19,389 for 2020. In general, no other tax gross-ups are paid to the named executive officers by the Company.

Deferred Compensation and Other Retirement Benefits

401(k) Plan

We currently maintain a 401(k) retirement savings plan for substantially all of our full-time employees who have at least six months of service and are at least 21 years of age, including our named executive officers. Our named executive officers are eligible to participate in the 401(k) plan on the same terms as other full-time employees. Under the 401(k) plan, eligible employees may elect to reduce their current compensation by up to the prescribed annual limit, and contribute these amounts to the 401(k) plan. We do not provide any mandatory matching contributions to our named executive officers. We made discretionary contributions to the 401(k) plan in 2019, but we did not make any contribution to the 401(k) plan during 2020.

We believe that providing a vehicle for tax-deferred retirement savings though our 401(k) plan adds to the overall desirability of our executive compensation package and further incentivizes our employees, including our named executive officers, in accordance with our compensation policies.

Other Retirement Plans

We offer the Executive Nonqualified Excess Plan of Life Time Fitness, or Excess Plan, anon-qualified deferred compensation plan, for the benefit of employees whose projected compensation for the upcoming plan year would meet or exceed the IRS limit for determining highly compensated employees. Mr. Zwiefel is the only named executive officer who currently participates in the Excess Plan.

Employees eligible to participate in the Excess Plan, including but not limited to our executives, may elect to defer up to 50% of their annual base salary and/or annual bonus earnings to be paid in any coming year. The investment choices available to participants under the non-qualified deferred compensation plan are of the same type and risk categories as those offered under our 401(k) plan and may be modified or changed by the participant or us at any time. Participants are generally eligible to receive distributions of their accounts as in-service payments or upon a separation from service. The Company may elect to make matching contributions, which vest in four ratable installments and which will accelerate and vest in the event of a participant's qualifying separation from service, including by reason of death, disability or qualifying retirement. Distributions can be paid out as a lump sum or in annual installments over a term of up to 10 years. We did not make any matching contribution to this plan during 2020. See " —Nonqualified Deferred Compensation Table" for further information regarding the Excess Plan.

Employment and Severance Arrangements

We are party to employment agreements with each of our named executive officers other than Mr. Singh, which provide for severance benefits in connection with certain qualifying terminations. As part of the offering contemplated by this registration statement, we have entered into new offer letters and/or employment agreements with each of our named executive officers. For further discussion of these agreements, see "—Named Executive Officer Employment Arrangements" below.

Tax Considerations

As a general matter, our board of directors and/or compensation committee review and consider the various tax and accounting implications of compensation programs we utilize.

Section 409A of the Internal Revenue Code

Section 409A of the Code requires that "nonqualified deferred compensation" be deferred and paid under plans or arrangements that satisfy the requirements of the statute with respect to the timing of deferral elections, timing of payments and certain other matters. Failure to satisfy these requirements can expose employees and

other service providers to accelerated income tax liabilities, penalty taxes and interest on their vested compensation under such plans. Accordingly, as a general matter, it is our intention to design and administer our compensation and benefits plans and arrangements for all of our employees and other service providers, including our named executive officers, so that they are either exempt from, or satisfy the requirements of, Section 409A of the Code.

Section 280G of the Internal Revenue Code

Section 280G of the Code disallows a tax deduction with respect to excess parachute payments to certain executives of companies that undergo a change in control. In addition, Section 4999 of the Code imposes a 20% penalty on the individual receiving the excess payment.

Parachute payments are compensation that is linked to or triggered by a change in control and may include, but are not limited to, bonus payments, severance payments, certain fringe benefits, and payments and acceleration of vesting from long-term incentive plans including stock options and other equity-based compensation. Excess parachute payments are parachute payments that exceed a threshold determined under Section 280G of the Code based on the executive's prior compensation. In approving the compensation arrangements for our named executive officers in the future, we expect the compensation committee will consider all elements of the cost to the Company of providing such compensation, including the potential impact of Section 280G of the Code. However, the compensation committee may, in its judgment, authorize compensation arrangements that could give rise to loss of deductibility under Section 280G of the Code and the imposition of excise taxes under Section 4999 of the Code when it believes that such arrangements are appropriate to attract and retain executive talent.

Section 162(m) of the Internal Revenue Code

Section 162(m) of the Code generally limits, for U.S. corporate income tax purposes, the annual tax deductibility of compensation paid to certain current and former executive officers to $1 million, subject to a transition rule for written binding contracts in effect on November 2, 2017, and not materially modified after that date. Prior to the enactment of the Tax Cuts and Jobs Act of 2017 (the "Tax Reform Act"), Section 162(m) included an exception for compensation deemed "performance-based". Pursuant to the Tax Reform Act, the exception for "performance-based" compensation has been repealed, effective for tax years beginning after December 31, 2017 and, therefore, compensation previously intended to be "performance-based" may not be deductible unless it qualifies for the transition rule. Due to uncertainties in the applications of Section 162(m) and the Tax Reform Act, there is no guarantee that compensation intended to satisfy the requirements for deduction will not be challenged or disallowed by the IRS. Furthermore, although the Company believes that tax deductibility of executive compensation is an important consideration, the compensation committee in its judgement may, nevertheless, authorize compensation payments that are not fully tax deductible.

Accounting for Stock-Based Compensation

The Company accounts for stock-based compensation in accordance with the requirements of Accounting Standards Codification ("ASC") Topic 718, "Stock Compensation." The Company also takes into consideration ASC Topic 718 and other generally accepted accounting principles in determining changes to policies and practices for its stock-based compensation programs.

COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS

2020 Summary Compensation Table

The following table contains information about the compensation earned by each of our named executive officers during our most recently completed fiscal year ended December 31, 2020.

NAME AND PRINCIPAL POSITION	SALARY ($)	BONUS ($)(1)	OPTION AWARDS ($)(2)	ALL OTHER COMPENSATION ($)(3)	TOTAL ($)
Bahram Akradi	230,769	—	—	154,860	385,629
Founder, Chairman & Chief Executive Officer					
Thomas E. Bergmann	600,000	500,000	—	16,836	1,116,836
President & Chief Financial Officer					
Eric J. Buss	500,000	225,000	—	23,332	748,332
Executive Vice President & Chief Administrative Officer					
RJ Singh	389,231	200,000	1,288,600	12,686	1,890,517
Executive Vice President & Chief Digital Officer					
Jeffrey G. Zwiefel	600,000	400,000	—	12,327	1,012,327
President & Chief Operating Officer					

(1) Amounts reflect special bonuses paid to each of our named executive officers other than Mr. Akradi in respect of 2020, as described above under "Bonuses — 2020 Special Bonuses".

(2) Amounts reflect the full grant-date fair value of stock options granted during fiscal 2020 computed in accordance with ASC Topic 718, rather than the amounts paid to or realized by the named individual. We provide information regarding the assumptions used to calculate the value of all option awards made to executive officers in Note 10 to the consolidated financial statements included in this prospectus.

(3) All Other Compensation for 2020 includes:

NAME	AUTO ALLOWANCE/ USE OF COMPANY CAR ($)	COMPANY CAR GROSS-UP ($)	PHONE ALLOWANCE ($)	PERSONAL USE OF COMPANY AIRCRAFT ($)(1)	HOME CONNECTIVITY ($)	EXECUTIVE LONG-TERM DISABILITY INSURANCE ($)	OTHER ($)(2)	TOTAL($)
Bahram Akradi	13,875	—	600	61,054	19,046	2,220	58,065	154,860
Thomas E. Bergmann	9,000	4,716	900	—	—	2,220	—	16,836
Eric J. Buss	11,500	5,112	3,600	—	900	2,220	—	23,332
RJ Singh	6,625	2,941	900	—	—	2,220	—	12,686
Jeffrey G. Zwiefel	3,875	1,732	3,600	—	900	2,220	—	12,327

(1) We determine the incremental costs of the personal use of Company aircraft based on the variable operating costs to us, which includes (i) aircraft fuel expenses; (ii) remote hangar, landing, ramp, and airport fees; (iii) customs, foreign permit and similar fees; (iv) crew travel expenses; (v) supplies and catering; and (vi) passenger ground transportation. Flights where there are no passengers on Company aircraft (so-called "deadhead" flights) are allocated to the executive when in connection with personal use. Because Company aircraft is used primarily for business travel, this methodology excludes fixed costs that do not change based on usage, such as aircraft permanent hangar rent, insurance, depreciation and pilot salaries.

(2) Includes (i) $2,667 value of myLT Buck$, a member rewards currency and (ii) $55,398, which consists of the costs of personal administrative support provided to Mr. Akradi, or $36,009, and the associated gross-up of $19,389 provided to Mr. Akradi.

Grants of Plan-Based Awards in Fiscal 2020

The following table provides supplemental information relating to grants of plan-based awards made during fiscal 2020 to help explain information provided above in our Summary Compensation Table. This table presents information regarding all grants of plan-based awards occurring during fiscal 2020.

NAME	GRANT DATE	ESTIMATED FUTURE PAYOUTS UNDER NON-EQUITY INCENTIVE PLAN AWARDS (1)			ALL OTHER OPTION AWARDS: NUMBER OF SECURITIES UNDERLYING OPTIONS (#)	EXERCISE OR BASE PRICE OF OPTION AWARDS ($/Sh)	GRANT DATE FAIR VALUE OF STOCK AND OPTION AWARDS ($)
		THRESHOLD ($)	TARGET ($)	MAXIMUM ($)			
Bahram Akradi	N/A	455,000	2,823,0000	3,388,000	—	—	—
Thomas E. Bergmann	N/A	400,000	500,000	600,000	—	—	—
Eric J. Buss	N/A	150,000	225,000	300,000	—	—	—
RJ Singh	N/A	125,000	200,000	275,000	—	—	—
	2/10/2020 (2)	—	—	—	170,000	25.00	1,288,600
Jeffrey G. Zwiefel	N/A	300,000	400,000	500,000	—	—	—

(1) Represents threshold, target and maximum payouts under the 2020 Bonus Program. No named executive officer earned a bonus under the 2020 Bonus Program with respect to 2020.

(2) On February 10, 2020, Mr. Singh received an option to purchase 170,000 shares of our common stock. The options will vest in five ratable annual installments on each of the first five anniversaries of October 1, 2019, to coincide with the date of his promotion to his current role, subject to Mr. Singh's continued service through the applicable vesting dates.

NARRATIVE TO SUMMARY COMPENSATION TABLE AND GRANTS OF PLAN-BASED AWARDS TABLE

Named Executive Officer Employment Arrangements

Prior to this offering, we have entered into employment agreements with certain of our named executive officers. In connection with this offering we have entered into a new offer letter with Mr. Akradi and have entered into new employment agreements with each of our executives. The principal elements of the employment agreements as in effect prior to this offering in 2020 and the new offer letter with Mr. Akradi and the new employment agreements with each of our other named executive officers are summarized below.

Prior Employment Agreements

Bahram Akradi

On October 6, 2015, we entered into an employment agreement with Mr. Akradi, as was subsequently amended on December 20, 2016 (the "CEO Employment Agreement"), pursuant to which Mr. Akradi is employed as Chief Executive Officer. The CEO Employment Agreement provides for an initial term of employment through December 31, 2020, and Mr. Akradi has continued to remain employed with us in accordance with its terms.

Pursuant to the CEO Employment Agreement, Mr. Akradi was entitled to an initial base salary of $1,000,000 per year, an annual performance-based cash bonus, payable based on the achievement of specified company EBITDA goals established by the board of directors and a guaranteed annual bonus of $1,000,000 through the end of the term of the CEO Employment Agreement. In addition, the CEO Employment Agreement provided for an initial stock option award as well as performance-based restricted shares to be granted annually on April 1 of each of 2016 – 2020. Pursuant to the CEO Employment Agreement, Mr. Akradi was granted restricted shares in 2016 and 2017, which have since fully vested. On November 13, 2017, in lieu of any future rights to restricted stock awards pursuant to the CEO Employment Agreement, Mr. Akradi and the board of directors mutually agreed that the outstanding restricted stock awards held by Mr. Akradi would accelerate and vest and Mr. Akradi would also receive 1,955,000 shares of our common stock.

Pursuant to the CEO Employment Agreement, Mr. Akradi was also subjectto 18-month post-termination non-competition and non-solicitation covenants, as well as perpetual confidentiality and non-disparagement covenants.

Pursuant to the terms of the CEO Employment Agreement, the Company had certain obligations that become due in the event of termination. If Mr. Akradi's employment is terminated by the Company other than for Cause (as defined below, and excluding death or disability) or by Mr. Akradi for Good Reason (as defined below), then in addition to any accrued amounts, subject to Mr. Akradi's execution and non-revocation of a release of claims, Mr. Akradi would have been eligible to receive a severance payment equal to one-and-a-half times (1.5x) the sum of (a) his annual base salary, (b) his guaranteed bonus, or $1 million, and (c) his target annual cash bonus for the year in which termination occurs, payable in substantially equal installments in accordance with the Company's regular payroll practices over the eighteen (18) month period following termination. Notwithstanding the foregoing, if Mr. Akradi was terminated for Cause due to his indictment for (x) any serious or violent felony or (y) any crime involving dishonesty, fraud or unlawful behavior against or at the expense of the Company, and as of the 18-month anniversary of the date of his termination for Cause, Mr. Akradi has neither been convicted of, nor pled nolo contendere to, such felony or crime (or the indictment is withdrawn prior to such date, referred to as the "indictment end date"), Mr. Akradi would have been entitled to the severance payment set forth in the preceding sentence, payable in substantially equal installments in accordance with the Company's regular payroll practices over the 18 month period following the indictment end date.

Upon a termination due to death or disability, in addition to the accrued amounts, Mr. Akradi would have been eligible to receive, subject to the execution and non-revocation of a release of claims, (i) the annual cash bonus he would have been entitled to receive had he remained employed until the end of the fiscal year (prorated for the period of active employment during the fiscal year), and (ii) the annual cash bonus he would have been entitled to receive had he remained employed until the end of the fiscal year (prorated for the period of active employment during the fiscal year).

For purposes of the CEO Employment Agreement, "Cause" means that Mr. Akradi has: (i) been convicted of, pleaded nolo contendere to or been indicted for, (A) any serious or violent felony or (B) any crime involving dishonesty, fraud or unlawful behavior against or at the expense of the Company; or (ii) engaged in gross negligence or willful misconduct in the performance of his duties, where such acts adversely affect the business affairs of the Company in a material way.

For purposes of the CEO Employment Agreement, "Good Reason" means that, without Mr. Akradi's express written consent, any of the following conditions shall occur, provided that none of the following conditions shall constitute Good Reason unless Mr. Akradi first gives written notice to the Company within 90 days of the first occurrence of the condition, delineating the claimed breach and setting forth Mr. Akradi's intention to terminate his employment if such breach is not duly remedied within 30 business days, and the Company fails to cure the condition within such 30-day period: (i) the Company has breached any material term(s) or material condition(s) of the CEO Employment Agreement, which breach was not caused by Mr. Akradi; (ii) the Company relocates its executive offices outside of a seventy-five (75) mile radius of its current location, and the relocation results in a material change to the geographic location at which Mr. Akradi performs services; or (iii) the Company has assigned duties and responsibilities to Mr. Akradi that are materially inconsistent with Mr. Akradi's position, duties and responsibilities as set forth in Section 2(b) of the CEO Employment Agreement, such that there occurs a material reduction in Mr. Akradi's duties, responsibilities or authority as set forth in Section 2(b).

Thomas E. Bergmann

On January 29, 2016, we entered into an employment agreement with Mr. Bergmann (the "CFO Employment Agreement"), pursuant to which Mr. Bergmann is employed as President & Chief Financial Officer. The CFO Employment Agreement provides for an indefinite "at-will" term of employment.

Pursuant to the CFO Employment Agreement, Mr. Bergmann is entitled to a base salary of $600,000 per year and is eligible for an annual performance-based cash bonus, with an initial target bonus opportunity of $400,000. In addition, the CFO Employment Agreement provides for an initial stock option award of 1,200,000 options and Mr. Bergmann's use of a Company car.

Pursuant to the CFO Employment Agreement, Mr. Bergmann is also subject to 18-month post-termination non-competition and non-solicitation covenants, as well as perpetual confidentiality and non-disparagement covenants.

Pursuant to the terms of the CFO Employment Agreement, the Company has certain obligations that become due in the event of termination. If Mr. Bergmann's employment is terminated by the Company other than for Cause (as defined below, and excluding death or disability) or by Mr. Bergmann for Good Reason (as defined below), then in addition to any accrued amounts, subject to Mr. Bergmann's execution and non-revocation of a release of claims, Mr. Bergmann is eligible to receive (i) a severance payment equal to one-half times (0.5x) the sum of (a) his annual base salary and (b) his target annual cash bonus for the year in which termination occurs, subject to certain limitations on the amount as set forth in the CFO Employment Agreement, payable in substantially equal installments in accordance with the Company's regular payroll practices over the six (6) month period following termination; provided, that if the severance payment is reduced pursuant to the terms of the CFO Employment Agreement, Mr. Bergmann will be entitled to an additional lump sum severance payment equal to the amount of the reduction of such severance payment; (ii) an amount equal to the sum of (a) his annual base salary and (b) his target annual cash bonus for the year in which termination occurs, payable over the twelve (12) month period commencing after the completion of any installment payments pursuant to clause (i) in substantially equal installments in accordance with the Company's regular payroll practices; and (iii) continued COBRA coverage for up to eighteen (18) months.

For purposes of the CFO Employment Agreement, "Cause" means that Mr. Bergmann has: (i) been convicted of, pleaded nolo contendere to or been indicted for, (A) any serious or violent felony or (B) any crime involving dishonesty, fraud or unlawful behavior against or at the expense of the Company; or (ii) engaged in gross negligence or willful misconduct in the performance of his duties, where such acts adversely affect the business affairs of the Company in a material way, provided that the foregoing shall not constitute Cause unless the Company first gives written notice to Mr. Bergmann within 90 days of the first occurrence of the condition, delineating the claimed breach and setting forth the Company's intention to terminate his employment if such breach is not duly remedied within 30 business days, and Mr. Bergmann fails to cure the condition within such 30-day period.

For purposes of the CFO Employment Agreement, "Good Reason" means that, without Mr. Bergmann's express written consent, any of the following conditions shall occur, provided that none of the following conditions shall constitute Good Reason unless Mr. Bergmann first gives written notice to the Company within 90 days of the first occurrence of the condition, delineating the claimed breach and setting forth Mr. Bergmann's intention to terminate his employment if such breach is not duly remedied within 30 business days, and the Company fails to cure the condition within such 30-day period: (i) the Company has breached any material term(s) or material condition(s) of the CFO Employment Agreement, which breach was not caused by Mr. Bergmann; (ii) the Company relocates its executive offices outside of a seventy-five (75) mile radius of its current location, and the relocation results in a material change to the geographic location at which Mr. Bergmann performs services; (iii) the Company has reduced, with respect to a fiscal year, the sum of Mr. Bergmann's annual base salary and target annual cash bonus (other than a reduction to his annual base salary which is part of a Company-wide reduction in base salaries applicable to similarly situated employees, but which does not exceed ten percent (10%) of his base salary at the time of the reduction); (iv) the Company has assigned duties and responsibilities to Mr. Bergmann that are materially inconsistent with Mr. Bergmann's position, duties and responsibilities as set forth in Section 2(b) of the CFO Employment Agreement, such that there occurs a material reduction in Mr. Bergmann's duties, responsibilities or authority as set forth in Section 2(b) of the CFO Employment Agreement; or (v) the Company has Mr. Bergmann report directly to any officer other than the Chief Executive Officer of the Company.

Eric J. Buss

In October 2016, we entered into an employment agreement with Mr. Buss (the "Buss Employment Agreement"), pursuant to which Mr. Buss is employed for an indefinite "at-will" term of employment as the Company's Executive Vice President & Chief Compliance Officer.

Pursuant to the Buss Employment Agreement, Mr. Buss is entitled to a base salary of $500,000 per year and is eligible for an annual performance-based cash bonus, with an initial target bonus opportunity of $150,000. In addition, the Buss Employment Agreement provides for a stock option award of 750,000 options and Mr. Buss' use of a Company car.

Pursuant to the Buss Employment Agreement, Mr. Buss is also subject to an 18-month post-termination non-compete covenant and 12-month post-termination non-solicitation covenants, as well as perpetual confidentiality and non-disparagement covenants.

Pursuant to the terms of the Buss Employment Agreement, the Company has certain obligations that become due in the event of termination. If Mr. Buss' employment is terminated by the Company other than for Cause (as defined below, and excluding death or disability) or by Mr. Buss for Good Reason (as defined below), then in addition to any accrued amounts, subject to Mr. Buss' execution and non-revocation of a release of claims, Mr. Buss is eligible to receive (i) a severance payment equal to one-half times (0.5x) the sum of (a) his annual base salary and (b) his target annual cash bonus for the year in which termination occurs, subject to certain limitations on the amount as set forth in the Buss Employment Agreement, payable in substantially equal installments in accordance with the Company's regular payroll practices over the six (6) month period following termination; provided, that if the severance payment is reduced pursuant to the terms of the Buss Employment Agreement, Mr. Buss will be entitled to an additional lump sum severance payment equal to the amount of the reduction of such severance payment; (ii) an amount equal to the sum of (a) his annual base salary and (b) his target annual cash bonus for the year in which termination occurs, payable over the twelve (12) month period commencing after the completion of any installment payments pursuant to clause (i) in substantially equal installments in accordance with the Company's regular payroll practices; and (iii) continued COBRA coverage for up to eighteen (18) months.

For purposes of the Buss Employment Agreement, "Cause" has the same general meaning as in the CFO Employment Agreement.

For purposes of the Buss Employment Agreement, "Good Reason" means that, without Mr. Buss's express written consent, any of the following conditions shall occur, provided that none of the following conditions shall constitute Good Reason unless Mr. Buss first gives written notice to the Company within 90 days of the first occurrence of the condition, delineating the claimed breach and setting forth Mr. Buss' intention to terminate his employment if such breach is not duly remedied within 30 business days, and the Company fails to cure the condition within such 30-day period: (i) the Company has breached any material term(s) or material condition(s) of the Buss Employment Agreement, which breach was not caused by Mr. Buss; (ii) the Company relocates its executive offices outside of a seventy-five (75) mile radius of its current location, and the relocation results in a material change to the geographic location at which Mr. Buss performs services; (iii) the Company has reduced, with respect to a fiscal year, the sum of Mr. Buss' annual base salary and target annual cash bonus (other than a reduction to his annual base salary which is part of a Company-wide reduction in base salaries applicable to similarly situated employees, but which does not exceed ten percent (10%) of his base salary at the time of the reduction) or (iv) the Company has assigned duties and responsibilities to Mr. Buss that are materially inconsistent with Mr. Buss' position, duties and experience, such that there occurs a material reduction in Mr. Buss' duties, responsibilities or authority as set forth in Section 2(b) of the Buss Employment Agreement.

Jeffrey G. Zwiefel

In March 2017, we entered into an employment agreement with Mr. Zwiefel (the "COO Employment Agreement"), pursuant to which Mr. Zwiefel is employed as President & Chief Operating Officer. The COO Employment Agreement provides for an indefinite "at-will" term of employment.

Pursuant to the COO Employment Agreement, Mr. Zwiefel is entitled to a base salary of $600,000 per year and is eligible for an annual performance-based cash bonus, with an initial target bonus opportunity of no less than $200,000. In addition, the COO Employment Agreement provides for Mr. Zwiefel's use of a Company car.

Pursuant to the COO Employment Agreement, Mr. Zwiefel is also subjectto 18-month post-termination non-competition and non-solicitation covenants, as well as perpetual confidentiality and non-disparagement covenants.

Pursuant to the terms of the COO Employment Agreement, the Company has certain obligations that become due in the event of termination. If Mr. Zwiefel's employment is terminated by the Company other than for Cause (as defined below, and excluding death or disability) or by Mr. Zwiefel for Good Reason (as defined below), then in addition to any accrued amounts, subject to Mr. Zwiefel's execution and non-revocation of a release of claims, Mr. Zwiefel is eligible to receive (i) a severance payment equal to one-half times (0.5x) the sum of (a) his annual base salary and (b) his target annual cash bonus for the year in which termination occurs, subject to certain limitations on the amount as set forth in the COO Employment Agreement, payable in substantially equal installments in accordance with the Company's regular payroll practices over the six (6) month period following termination; provided, that if the severance payment is reduced pursuant to the terms of the COO Employment Agreement, Mr. Zwiefel will be entitled to an additional lump sum severance payment equal to the amount of the reduction of such severance payment; (ii) an amount equal to the sum of (a) his annual base salary and (b) his target annual cash bonus for the year in which termination occurs, payable over the twelve (12) month period commencing after the completion of any installment payments pursuant to clause (i) in substantially equal installments in accordance with the Company's regular payroll practices; and (iii) continued COBRA coverage for up to eighteen (18) months.

Upon a termination due to death or disability, in addition to the accrued amounts, Mr. Zwiefel is eligible to receive, subject to the execution and non-revocation of a release of claims, the annual cash bonus he would have been entitled to receive had he remained employed until the end of the fiscal year (prorated for the period of active employment during the fiscal year).

For purposes of the COO Employment Agreement, "Cause" means that Mr. Zwiefel has: (i) been convicted of, pleaded nolo contendere to or been indicted for, (A) any serious or violent felony or (B) any crime involving dishonesty, fraud or unlawful behavior against or at the expense of the Company; or (ii) engaged in gross negligence or willful misconduct in the performance of his duties, where such acts adversely affect the business affairs of the Company in a material way, provided that the foregoing shall not constitute Cause unless the Company first gives written notice to Mr. Zwiefel within 60 days of the first occurrence of the condition, delineating the claimed breach and setting forth the Company's intention to terminate his employment if such breach is not duly remedied within 30 business days, and Mr. Zwiefel fails to cure the condition within such 30-day period.

For purposes of the COO Employment Agreement, "Good Reason" means that, without Mr. Zwiefel's express written consent, any of the following conditions shall occur, provided that none of the following conditions shall constitute Good Reason unless Mr. Zwiefel first gives written notice to the Company within 60 days of the first occurrence of the condition, delineating the claimed breach and setting forth Mr. Zwiefel's intention to terminate his employment if such breach is not duly remedied within 30 business days, and the Company fails to cure the condition within such 30-day period: (i) the Company has breached any material term(s) or material condition(s) of the COO Employment Agreement, which breach was not caused by Mr. Zwiefel; (ii) the Company relocates its executive offices outside of a seventy-five (75) mile radius of its current location, and the relocation results in a material change to the geographic location at which Mr. Zwiefel performs services; (iii) the Company has reduced, with respect to a fiscal year, the sum of Mr. Zwiefel's annual base salary and target annual cash bonus (other than a reduction to his base salary which is part of a Company-wide reduction in base salaries applicable to similarly situated employees, but which does not exceed ten percent (10%) of his base salary at the time of the reduction); or (iv) the Company has

assigned duties and responsibilities to Mr. Zwiefel that are materially inconsistent with Mr. Zwiefel's position, duties and responsibilities as set forth in Section 2(b) of the COO Employment Agreement, such that there occurs a material reduction in Mr. Zwiefel's duties, responsibilities or authority as set forth in Section 2(b).

New Employment Arrangements

Bahram Akradi

Effective as of August 18, 2021, Mr. Akradi entered into an offer letter with us providing for his continued employment with us as Chief Executive Officer and Chairman of our board of directors (the "CEO Offer Letter"). Pursuant to the CEO Offer Letter, commencing as of fiscal year 2022, Mr. Akradi is entitled to a base salary of $1,500,000, an annual performance bonus ranging from 0 – 300% of his base salary and annual equity grants with a target grant date value of at least $7,500,000 for fiscal years 2022 – 2024. In addition, the CEO Offer Letter provides that in connection with this offering, Mr. Akradi will be eligible to receive an equity grant comprised of 50% stock options and 50% restricted stock units with a target grant date value of at least $5,000,000 as determined by the board of directors or compensation committee; provided that the value of such award may be adjusted depending on the price of the Company's common stock in connection with this offering. Such award will vest over a period of four years in equal annual installments, subject to Mr. Akradi's continued service through the applicable vesting date(s).

Mr. Akradi is not entitled to severance payments or benefits under the CEO Offer Letter in connection with any termination of employment on or prior to August 18, 2024. In the event that Mr. Akradi's employment is terminated by the Company without Cause or by Mr. Akradi for Good Reason following August 18, 2024, then, subject to Mr. Akradi's execution of a release of claims and continued compliance with applicable restrictive covenants, he will be entitled to receive severance benefits that are at least as favorable as those generally provided to other senior executives of the Company as of the date of such termination. Furthermore, the CEO Offer Letter provides for a Section 280G "best net" cutback pursuant to which if payments or benefits received by Mr. Akradi in connection with a change in control constitute Section 280G excess parachute payments subject to the associated excise tax, the amount of payments received by him will be reduced to the extent such reduction would result in Mr. Akradi receiving a larger after-tax amount than if he received the full amount of the payments subject to the excise tax.

In connection with the CEO Offer Letter, Mr. Akradi also entered into an EmployeeNon-Competition Agreement (the "NCA"). Pursuant to the NCA, Mr. Akradi is subject to perpetual confidentiality and mutual non-disparagement covenants, and non-competition and non-solicit covenants through the later of (i) the 36-month anniversary of this offering and (ii) the 24-month anniversary of Mr. Akradi's termination of employment with us.

As an inducement for Mr. Akradi to enter the NCA and the CEO Offer Letter (including his agreement to forego the right to receive any severance benefits for the three-year period following the effectiveness of the CEO Offer Letter), we agreed to extinguish the loan under the loan agreement entered into by Mr. Akradi with us, as further described under "Certain Relationships and Related Party Transactions—Stockholder Note Receivable".

For purposes of the CEO Offer Letter, "Cause" means (a) commission of an act of material fraud or material dishonesty against the Company or any of its subsidiaries; (b) intentional refusal or willful failure to substantially carry out the lawful and reasonable instructions of the board of directors after receiving written notification of the failure from the board of directors (other than any such failure resulting from Mr. Akradi's disability and excluding any failure to achieve a lawful and reasonable directive following the expenditure by Mr. Akradi of commercially reasonable best efforts); (c) commission of, indictment for, conviction of, guilty plea or "no contest" plea to a felony or to a misdemeanor involving moral turpitude (where moral turpitude means so extreme a departure from ordinary standards of honesty, good morals, justice or ethics as to be shocking to the moral sense of the community); (d) gross misconduct in connection with the performance of Mr. Akradi's duties; (e) improper disclosure of confidential information, which use or disclosure causes or could reasonably be expected to cause material harm to the Company or any of its subsidiaries; (f) failure to reasonably cooperate

with the Company or any of its subsidiaries in any investigation or formal proceeding; or (g) Mr. Akradi's material breach of the CEO Offer Letter, the NCA or any other written agreement or arrangement with the Company or any of its subsidiaries, provided that the foregoing shall not constitute Cause unless the Company first gives written notice to Mr. Akradi 30 days prior to termination for Cause, delineating the claimed breach and setting forth the Company's intention to terminate his employment if such breach is not duly remedied within 30 business days, and Mr. Akradi fails to cure the condition within such 30-day period.

For purposes of the CEO Offer Letter, "Good Reason" means Mr. Akradi's resignation following the occurrence, without his express, written consent, of one or more of the following conditions (whether by a single action or a series of actions): (a) a material reduction by the Company in Mr. Akradi's title, duties, responsibilities, or authority as Chief Executive Officer of the Company; (b) a material reduction by the Company of Mr. Akradi's annual base salary or target bonus, other than as part of a reduction affecting all or substantially all of the Company's senior leadership team; or (c) the Company's material breach of the CEO Offer Letter, provided that the foregoing shall not constitute Good Reason unless Mr. Akradi provides written notice to the Company of the event or condition giving rise to Good Reason within 30 days after its initial occurrence, such event or condition continues to exist on the 30th day following his provision of such notice to the Company and Mr. Akradi's resignation is effective within 30 days following the end of such period.

Executive Employment Agreements

In connection with this offering, we entered into new employment agreements with Messrs. Bergmann, Buss, Singh and Zwiefel, effective as of the date of closing of this offering (the "Executive Employment Agreements"). In addition to providing for the increases to the executives' base salaries and target bonus opportunities described above, the Executive Employment Agreements provide for a three-year initial term of employment with successive one-year automatic extensions of the term, provided that either party does not provide prior written notice ofnon-extension of the term (except for Mr. Bergmann's Executive Employment Agreement, which provides for an indefinite at-will term of employment).

Under the Executive Employment Agreements, each executive will be entitled to receive the same severance benefits as described above (with Mr. Singh now eligible to receive such severance benefits as well); provided, that each executive will now also be entitled to receive, conformed with Mr. Zwiefel, the annual cash bonus he would have been entitled to receive had he remained employed until the end of the fiscal year (prorated for the period of active employment during the fiscal year) upon a termination due to death or Disability. The Executive Employment Agreements also provide for a Section 280G "best net" cutback and the executives will each be subject to perpetual confidentiality and mutual non-disparagement covenants, and non-competition and non-solicit covenants through the 24-month anniversary (or 18-month anniversary for Mr. Bergmann) of his termination of employment with us.

For purposes of each Executive Employment Agreement (other than Mr. Bergmann's), "Cause" means (i) repeated and willful or grossly negligent failure to perform the executive's material duties on behalf of the Company; (ii) the executive's willful or grossly negligent violation of any material Company rule, procedure or policy, or breach of any non-disclosure, non-competition, non-solicitation or other similar agreement between the Company (or any subsidiaries thereof) and the executive; (iii) the executive's plea of *nolo contendere to, or conviction of a felony, a crime of moral turpitude or a misdemeanor involving fraud or dishonesty (other than minor traffic violations or similar offenses) or that could reasonably be expected to result in material harm, whether business, financial, reputational or otherwise, to the Company or its subsidiaries; (iv) the perpetration of any act of fraud, embezzlement or material dishonesty against or affecting the Company, any of its subsidiaries, or any customer, agent or employee thereof; (v) material breach of fiduciary duty or material breach of the Executive Employment Agreement (or any other written agreement by and between the executive and the Company) by executive; (vi) repeated insolent or abusive conduct in the workplace, including but not limited to, harassment of others of a racial or sexual nature; or (vii) engaging in any act of material self-dealing without prior notice to and consent by the board of directors, provided that the foregoing shall not constitute Cause unless the executive fails to cure the circumstances constituting Cause within 30 days after written notice.*

For purposes of Mr. Bergmann's Executive Employment Agreement, "Cause" means (i) repeated and willful or grossly negligent failure to perform the executive's material duties on behalf of the Company; (ii) the executive's willful or grossly negligent violation of any material Company rule, procedure or policy, or breach of any material non-disclosure, non-competition, non-solicitation or other similar agreement between the Company (or any subsidiaries thereof) and the executive; (iii) the executive's plea of *nolo contendere* to, or conviction of a felony or a crime of moral turpitude or involving fraud or dishonesty (other than minor traffic violations or similar offenses); (iv) the perpetration of any act of fraud, embezzlement or material dishonesty against or affecting the Company, any of its subsidiaries, or any customer, agent or employee thereof; (v) material breach of fiduciary duty or material breach of the Executive Employment Agreement (or any other written agreement by and between the executive and the Company) by executive; (vi) repeated insolent or abusive conduct in the workplace, including but not limited to, harassment of others of a racial or sexual nature; or (vii) engaging in any act of material self-dealing without prior notice to and consent by the board of directors, provided that the foregoing shall not constitute Cause unless the executive fails to cure the circumstances constituting Cause within 30 days after written notice.

In the event of the executive's arrest or indictment for a felony, crime or misdemeanor as described in the preceding clause (iii) in each Executive Employment Agreement, the Company shall have the right (but not the obligation) to suspend the executive without pay until either (a) a court of competent jurisdiction makes a final determination of the executive's guilt or innocence or (b) the executive pleads *nolo contendere* to such alleged felony or crime; provided that if the court makes a final determination that the executive should be acquitted of such felony or crime, the Company shall either reinstate the executive and repay to him such withheld base salary or terminate his employment without Cause.

For purposes of each Executive Employment Agreement, "Disability" means the executive's inability to perform on a full-time basis the duties and responsibilities of executive's employment with the Company by reason of executive's illness or other physical or mental impairment or condition, as determined by a physician mutually acceptable to executive and the Company, if such inability continues for an uninterrupted period of 90 days or more during any 365-day period. A period of inability shall be "uninterrupted" unless and until executive returns to full-time work from the above-referenced leave for a continuous period of at least 180 days, excluding vacation days or sick days taken for reasons unrelated to the illness or other physical or mental impairment or condition necessitating the above-referenced leave.

For purposes of each Executive Employment Agreement (other than Mr. Bergmann's), "Good Reason" means (i) the Company has breached any material term(s) or material condition(s) of the Executive Employment Agreement; (ii) a requirement imposed by the Company on the executive that executive's principal place of employment be anywhere other than within a 75 mile radius of the executive's principal location, and the relocation results in a material change to the geographic location at which the executive performs services; (iii) a material reduction in the executive's base salary or target bonus as then in effect, other than in connection with an across-the-board reduction affecting other similarly situated executives of the Company; or (iv) the Company has assigned duties and responsibilities to executive that are materially inconsistent with executive's position, duties or responsibilities as set forth in the Executive Employment Agreement, such that there occurs a material reduction in executive's duties, responsibilities or authority as set forth in the Executive Employment Agreement.

For purposes of Mr. Bergmann's Executive Employment Agreement, "Good Reason" means (i) the Company has breached any material term(s) or material condition(s) of the Executive Employment Agreement; (ii) a requirement imposed by the Company on the executive that executive's principal place of employment be anywhere other than within a 75 mile radius of the executive's principal location, and the relocation results in a material change to the geographic location at which the executive performs services; (iii) a 10% or greater reduction in the executive's base salary or target bonus as then in effect, other than in connection with an across-the-board reduction affecting other similarly situated executives of the Company; (iv) the Company has assigned duties and responsibilities to executive that are materially inconsistent with executive's position, duties or responsibilities as set forth in the Executive Employment Agreement, such that there occurs a material reduction in executive's duties, responsibilities or authority as set forth in the Executive Employment Agreement; or (v) the Company appoints any person (other than Bahram Akradi or Mr. Bergmann) as the Chief Executive Officer of the Company.

Outstanding Equity Awards at Fiscal Year-End Table

The following table summarizes the number of shares of common stock underlying outstanding equity incentive plan awards for each named executive officer as of December 31, 2020.

		OPTION AWARDS[1]			
NAME	GRANT DATE	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS (#) EXERCISABLE	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS (#) UNEXERCISABLE	OPTION EXERCISE PRICE ($)	OPTION EXPIRATION DATE
Bahram Akradi	10/6/2015	—	9,388,000[2]	10.00	10/6/2025
Thomas E. Bergmann	6/8/2016	—	1,200,000[3]	10.00	6/8/2026
Eric J. Buss	6/8/2016	—	750,000[3]	10.00	6/8/2026
RJ Singh	3/31/2017	—	80,000[4]	11.48	3/31/2027
	2/10/2020	—	170,000[5]	25.00	2/10/2030
Jeffrey G. Zwiefel	6/8/2016	—	900,000[3]	10.00	6/8/2026
	3/23/2017	—	100,000[6]	11.48	3/23/2027

(1) Other than with respect to the option award to Mr. Akradi, each such option award vests in five ratable installments on each of the first five anniversaries of the executive's vesting commencement date, subject to the executive's continued service through the applicable vesting dates. In the event of a change of control or an initial public offering (each as defined in the applicable option agreement), each unvested option grant will fully accelerate and vest, subject to the executive's continued service through the date of such change in control or initial public offering. The options (other than with respect to Mr. Akradi's options) will become exercisable upon the first to occur of (i) a change of control, (ii) the date following the expiration of the lock-up period related to an initial public offering or (iii) the executive's termination of employment by reason of death or disability. All outstanding vested options held by our named executive officers are expected to become exercisable in connection with this offering.

(2) Mr. Akradi's option will become fully vested and exercisable upon the first to occur of (i) a change of control, (ii) the date of an initial public offering or (iii) the executive's termination of employment by reason of death or disability.

(3) The shares subject to such options were fully vested as of December 31, 2020, but are not yet exercisable.

(4) The original number of shares subject to such option (100,000) were scheduled to vest on each of the first five anniversaries of March 1, 2017. Mr. Singh participated in our stock option purchase offer in 2019 and the Company repurchased 20,000 shares subject to such option. 50% of the shares subject to the reduced option had vested as of December 31, 2020, with the remaining 50% scheduled to vest on each of the fourth and fifth anniversaries of the applicable vesting commencement date. An additional 25% of such reduced option vested as of March 1, 2021.

(5) 20% of the shares subject to the option had vested as of December 31, 2020, with the remaining 80% scheduled to vest on each of the anniversaries of the October 1 vesting commencement date.

(6) 60% of the shares subject to such options had vested as of December 31, 2020, with the remaining 40% scheduled to vest on each of the fourth and fifth anniversaries of the applicable vesting commencement date. An additional 20% of such option vested as of March 1, 2021.

Nonqualified Deferred Compensation Table

We maintain the Excess Plan for a select group of our highly compensated employees, including all of our named executive officers are eligible to participate. The following table contains information regarding our executives' participation in our nonqualified deferred compensation plan.

NAME	EXECUTIVE CONTRIBUTIONS IN LAST FY ($)	REGISTRANT CONTRIBUTIONS IN LAST FY ($)	AGGREGATE EARNINGS IN LAST FY ($)[1][2]	AGGREGATE WITHDRAWALS/ DISTRIBUTIONS ($)	AGGREGATE BALANCE AT LAST FYE ($)
Bahram Akradi	—	—	—	—	—
Thomas E. Bergmann	—	—	—	—	—
Eric J. Buss	—	—	—	—	—
RJ Singh	—	—	—	—	—
Jeffrey G. Zwiefel	—	—	72,683	—	379,086[3]

(1) Reflects the aggregate interest or other earnings accrued during the last fiscal year.

(2) These amounts do not represent above-market earnings and thus are not reported in the Summary Compensation Table.

(3) Mr. Zwiefel would be eligible to receive distribution of his account upon a separation from service.

Potential Payments Upon Termination or Change in Control

In this section, we describe payments that may be made to our named executive officers upon several events of termination, assuming the termination event occurred on the last day of fiscal 2020 (except as otherwise noted).

As of December 31, 2020, we had entered into employment agreements with each of our named executive officers other than Mr. Singh that provide for potential payments upon a qualifying termination of employment. Further, in connection with this offering, we entered into an offer letter with Mr. Akradi and have entered into employment agreements with our other named executive officers. For additional information on such arrangements, see "Narrative to Summary Compensation Table and Grants of Plan-Based Awards Table—Named Executive Officer Employment Arrangements". In addition, pursuant to their option agreements, our named executive officers (other than Mr. Akradi) are entitled to receive acceleration of vesting of their outstanding option awards upon the occurrence of a change of control or initial public offering of the Company, while all named executive officers' options will become exercisable upon the occurrence of a change of control, in connection with an initial public offering or termination of the executive's employment by reason of death or disability.(1)

NAME	BENEFIT	TERMINATION WITHOUT CAUSE OR FOR GOOD REASON (NO CHANGE IN CONTROL) ($)	CHANGE IN CONTROL (NO TERMINATION) ($)(2)(8)	TERMINATION WITHOUT CAUSE OR FOR GOOD REASON (IN CONNECTION WITH A CHANGE IN CONTROL) ($)
Bahram Akradi	Cash	7,234,500(3)	—	—
	Equity Acceleration	—	87,496,160	—
	All Other Payments or Benefits	—	—	—
	Total	7,234,500	87,496,160	—
Thomas E. Bergmann	Cash	1,725,000(4)	—	—
	Equity Acceleration	—	—	—
	All Other Payments or Benefits	22,470(5)	—	—
	Total	1,747,470	—	—
Eric J. Buss	Cash	1,500,000(4)	—	—
	Equity Acceleration	—	—	—
	All Other Payments or Benefits	24,389(6)	—	—
	Total	1,524,389	—	—
RJ Singh	Cash	—	—	—
	Equity Acceleration	—	313,600	—
	All Other Payments or Benefits	—	—	—
	Total	—	313,600	—
Jeffrey G. Zwiefel	Cash	1,725,000(4)	—	—
	Equity Acceleration	—	313,600	—
	All Other Payments or Benefits	403,475(7)	—	379,086(9)
	Total	2,128,475	313,600	379,086

(1) Amounts reflected in the table were calculated assuming the triggering event occurred on December 31, 2020. Since December 31, 2020, we have entered into a new offer letter with Mr. Akradi. For the severance terms under such new agreement see "Narrative to Summary Compensation Table and Grants of Plan-Based Awards Table—Named Executive Officer Employment Arrangements" above.

(2) Amounts reflected in the "Change in Control (no Termination)" column were calculated assuming that no termination occurred after the change in control. The values of any additional benefits to the named executive officers that would arise only if a termination were to occur after a change in control are disclosed in the footnotes to the "Termination Without Cause or for Good Reason (in Connection with a Change in Control)" or other applicable columns.
(3) Represents 1.5x the sum of Mr. Akradi's (i) base salary at termination, (ii) target annual bonus for 2020 and (iii) guaranteed bonus for 2020. The full amount of severance benefits Mr. Akradi would have been entitled to under his employment agreement are included out of an abundance of caution, though Mr. Akradi forewent his right to receive a portion of his 2020 base salary and any bonuses with respect to 2020, as described above.
(4) Represents the aggregate cash severance payments Messrs. Bergmann, Buss and Zwiefel would have been entitled to under their respective employment agreements, or 1.5x the sum of the executive's (i) base salary at termination and (ii) target annual bonus for 2020.
(5) Represents the value associated with the continued provision of health benefits based on the 2020 premiums for insurance multiplied by eighteen months.
(6) Represents the value associated with the continued provision of health benefits based on the 2020 premiums for insurance multiplied by eighteen months.
(7) Represents (i) the value associated with the continued provision of health benefits based on the 2020 premiums for insurance multiplied by eighteen months and (ii) the balance of Mr. Zwiefel's deferred compensation account, which is payable upon Mr. Zwiefel's separation from service with the Company.
(8) Represents the value of unvested equity awards held by certain of our named executive officers on December 31, 2020 that would be subject to accelerated vesting, based on the fair market value of our common stock as of December 31, 2020 as determined by the Company in good faith (as there was no public market for our common stock on such date).
(9) Represents the balance of Mr. Zwiefel's deferred compensation account, which is payable upon Mr. Zwiefel's separation from service with the Company in connection with a change in control.

Compensation of our Directors

No non-employee directors other than Mr. Coslet received any compensation in respect of their service on our board of directors in 2020. Directors who were executives of the Company were not eligible to receive additional compensation for their services as directors. We provide Mr. Coslet with a Center membership for his family, the value of which does not exceed $10,000.

The table below shows the aggregate number of option awards (exercisable and unexercisable) held as of December 31, 2020, by each non-employee director who was serving as of December 31, 2020.

Name	Options Outstanding at Fiscal Year End (Exercisable)	Options Outstanding at Fiscal Year End (Unexercisable)
Stuart Lasher(1)	—	150,000

(1) Mr. Lasher's options are fully vested, though not yet exercisable. They are expected to become exercisable in connection with this offering.

In connection with this offering, we intend to adopt the initial terms of our non-employee director compensation policy.

Pursuant to this policy, each eligible non-employee director (other than Mr. Lasher and certain non-employee directors affiliated with the Voting Group) will receive an annual cash retainer of $75,000 that will be paid quarterly in arrears. In addition, an eligible director serving as lead independent director of our board of directors will receive an additional cash retainer of $55,000; the chairperson of the audit committee will receive an additional cash retainer of $30,000 and each other member of the audit committee will receive an additional cash retainer of $15,000; the chairperson of the compensation committee will receive an additional cash retainer of $25,000 and each other member of the compensation committee will receive an additional cash retainer of $10,000; the chairperson of the nominating and corporate governance committee will receive an additional cash retainer of $20,000 and each other member of the nominating and corporate governance committee will receive an additional cash retainer of $10,000.

Also, pursuant to this policy, we intend to grant such eligible non-employee directors an annual equity award of restricted stock units with a grant date value of $155,000 (with prorated awards made to directors who

join after this offering on a date other than the date of an annual meeting), which will generally vest in full on the earlier of (i) the day immediately prior to the date of our annual stockholder meeting immediately following the date of grant and (ii) the first anniversary of the grant date, subject to the non-employee director continuing in service through such date. In the event of a change in control (as defined in the 2021 Plan), all outstanding equity awards granted to our non-employee directors pursuant to this policy will accelerate and vest in full.

Equity Incentive Plans

Existing Equity Plan

We currently maintain the 2015 Plan, as described above. On and after the closing of this offering and following the effectiveness of the 2021 Incentive Award Plan, no further grants will be made under the 2015 Plan.

2021 Incentive Award Plan

In connection with this offering, we intend to adopt the 2021 Incentive Award Plan (the "2021 Plan"), under which we may grant cash and equity-based incentive awards to eligible service providers in order to attract, motivate and retain the talent for which we compete. The material terms of the 2021 Plan, as it is currently contemplated, are summarized below. This summary is not a complete description of all provisions of the 2021 Plan and is qualified in its entirety by reference to the 2021 Plan, which will be filed as an exhibit to the registration statement of which this prospectus is a part.

Eligibility and Administration

Our employees, consultants and directors, and employees, consultants and directors of our subsidiaries are eligible to receive awards under the 2021 Plan. The 2021 Plan is expected to be initially administered by our board of directors, which may delegate its duties and responsibilities to committees of our directors and/or officers (referred to collectively as the plan administrator below), subject to certain limitations that may be imposed under Section 16 of the Exchange Act, and/or stock exchange rules, as applicable. The plan administrator has the authority to make all determinations and interpretations under, prescribe all forms for use with, and adopt rules for the administration of, the 2021 Plan, subject to its express terms and conditions. The plan administrator will also set the terms and conditions of all awards under the 2021 Plan, including any vesting and vesting acceleration conditions.

Limitation on Awards and Shares Available

The maximum number of shares of our common stock available for issuance under the 2021 Plan is equal to the sum of (i) shares of our common stock, (ii) an annual increase on the first day of each year beginning in 2022 and ending in and including 2031, equal to the lesser of (A) four percent (4%) of the outstanding shares of our common stock on the last day of the immediately preceding fiscal year and (B) such lesser amount as determined by our board of directors, and (iii) any shares of our common stock available for issuance under the 2015 Plan as of the effective date of the 2021 Plan or that are subject to awards under the 2015 Plan and any other prior equity incentive plans of the Company or its predecessor which are forfeited or lapse unexercised and which following the effective date of the 2021 Plan are not issued under such prior plan; provided, however, no more than shares may be issued upon the exercise of incentive stock options, or ISOs. The share reserve formula under the 2021 Plan is intended to provide us with the continuing ability to grant equity awards to eligible employees, directors and consultants for the ten-year term of the 2021 Plan.

Awards granted under the 2021 Plan upon the assumption of, or in substitution for, outstanding equity awards previously granted by an entity in connection with a corporate transaction, such as a merger, combination, consolidation or acquisition of property or stock will not reduce the shares authorized for grant under the 2021

Plan. The maximum grant date fair value of cash and equity awards granted to any non-employee director pursuant to the 2021 Plan during any calendar year is $750,000.

Awards

The 2021 Plan provides for the grant of stock options, including ISOs and nonqualified stock options, or NSOs, restricted stock, dividend equivalents, stock payments, restricted stock units, or RSUs, other incentive awards, SARs, and cash awards. No determination has been made as to the types or amounts of awards that will be granted to certain individuals pursuant to the 2021 Plan. Certain awards under the 2021 Plan may constitute or provide for a deferral of compensation, subject to Section 409A of the Code, which may impose additional requirements on the terms and conditions of such awards. All awards under the 2021 Plan will be set forth in award agreements, which will detail all terms and conditions of the awards, including any applicable vesting and payment terms and post-termination exercise limitations. Awards other than cash awards generally will be settled in shares of our common stock, but the plan administrator may provide for cash settlement of any award. A brief description of each award type follows.

- ***Stock Options***. Stock options provide for the purchase of shares of our common stock in the future at an exercise price set on the grant date. ISOs, by contrast to NSOs, may provide tax deferral beyond exercise and favorable capital gains tax treatment to their holders if certain holding period and other requirements of the Code are satisfied. The exercise price of a stock option may not be less than 100% of the fair market value of the underlying share on the date of grant (or 110% in the case of ISOs granted to certain significant stockholders), except with respect to certain substitute options granted in connection with a corporate transaction. The term of a stock option may not be longer than ten years (or five years in the case of ISOs granted to certain significant stockholders).

- ***SARs***. SARs entitle their holder, upon exercise, to receive from us an amount equal to the appreciation of the shares subject to the award between the grant date and the exercise date. The exercise price of a SAR may not be less than 100% of the fair market value of the underlying share on the date of grant (except with respect to certain substitute SARs granted in connection with a corporate transaction) and the term of a SAR may not be longer than ten years.

- ***Restricted Stock and RSUs***. Restricted stock is an award of nontransferable shares of our common stock that remain forfeitable unless and until specified conditions are met, and which may be subject to a purchase price. RSUs are contractual promises to deliver shares of our common stock in the future, which may also remain forfeitable unless and until specified conditions are met. Delivery of the shares underlying RSUs may be deferred under the terms of the award or at the election of the participant, if the plan administrator permits such a deferral.

- ***Stock Payments, Other Incentive Awards and Cash Awards***. Stock payments are awards of fully vested shares of our common stock that may, but need not, be made in lieu of base salary, bonus, fees or other cash compensation otherwise payable to any individual who is eligible to receive awards. Other incentive awards are awards other than those enumerated in this summary that are denominated in, linked to or derived from shares of our common stock or value metrics related to our shares, and may remain forfeitable unless and until specified conditions are met. Cash awards are cash incentive bonuses subject to performance goals.

- ***Dividend Equivalents***. Dividend equivalents represent the right to receive the equivalent value of dividends paid on shares of our common stock and may be granted alone or in tandem with awards other than stock options or SARs. Dividend equivalents are credited as of dividend record dates during the period between the date an award is granted and the date such award vests, is exercised, is distributed or expires, as determined by the plan administrator.

Vesting

Vesting conditions determined by the plan administrator may apply to each award and may include continued service, performance and/or other conditions.

Certain Transactions

The plan administrator has broad discretion to take action under the 2021 Plan, as well as make adjustments to the terms and conditions of existing and future awards, to prevent the dilution or enlargement of intended benefits and facilitate necessary or desirable changes in the event of certain transactions and events affecting our common stock, such as stock dividends, stock splits, mergers, consolidations and other corporate transactions. In addition, in the event of certain non-reciprocal transactions with our stockholders known as "equity restructurings," the plan administrator will make equitable adjustments to the 2021 Plan and outstanding awards. In the event of a "change in control" of the Company (as defined in the 2021 Plan), to the extent that the surviving entity declines to continue, convert, assume or replace outstanding awards, then all such awards may become fully vested and exercisable in connection with the transaction. Upon or in anticipation of a change in control, the plan administrator may cause any outstanding awards to terminate at a specified time in the future and give the participant the right to exercise such awards during a period of time determined by the plan administrator in its sole discretion. Individual award agreements may provide for additional accelerated vesting and payment provisions.

Foreign Participants, Claw-Back Provisions, Transferability, and Participant Payments

The plan administrator may modify award terms, establish subplans and/or adjust other terms and conditions of awards, subject to the share limits described above, in order to facilitate grants of awards subject to the laws and/or stock exchange rules of countries outside of the United States. All awards will be subject to the provisions of any claw-back policy implemented by us to the extent set forth in such claw-back policy and/or in the applicable award agreement. With limited exceptions for estate planning, domestic relations orders, certain beneficiary designations and the laws of descent and distribution, awards under the 2021 Plan are generally non- transferable, and are exercisable only by the participant. With regard to tax withholding, exercise price and purchase price obligations arising in connection with awards under the 2021 Plan, the plan administrator may, in its discretion, accept cash or check, provide for net withholding of shares, allow shares of our common stock that meet specified conditions to be repurchased, allow a "market sell order" or such other consideration as it deems suitable.

Plan Amendment and Termination

Our board of directors may amend or terminate the 2021 Plan at any time; however, except in connection with certain changes in our capital structure, stockholder approval will be required for any amendment that increases the number of shares available under the 2021 Plan. No award may be granted pursuant to the 2021 Plan after the tenth anniversary of the earlier of (i) the date on which our board of directors adopts the 2021 Plan and (ii) the date on which our stockholders approve the 2021 Plan.

2021 Employee Stock Purchase Plan

In connection with this offering, we intend to adopt the 2021 Employee Stock Purchase Plan (the "ESPP"), subject to approval by our stockholders. The ESPP is designed to allow our eligible employees to purchase shares of our common stock, at periodic intervals, with their accumulated payroll deductions. The ESPP consists of two components: a Section 423 component, which is intended to qualify under Section 423 of the Code and a non-Section 423 component, which need not qualify under Section 423 of the Code. The material terms of the ESPP as currently contemplated are summarized below. This summary is not a complete description of all provisions of the ESPP and is qualified in its entirety by reference to the ESPP, which will be filed as an exhibit to the registration statement of which this prospectus is a part.

Shares Available; Administration

The aggregate number of shares of our common stock that will initially be reserved for issuance under the ESPP will be equal to (i) shares of our common stock, and (ii) an annual increase on the first day of each

year beginning in 2022 and ending in and including 2031, equal to the lesser of (A) one percent (1%) of the aggregate number of shares of our common stock outstanding on the final day of the immediately preceding calendar year and (b) such smaller number of our shares of common stock as determined by our board of directors; provided that in no event will more than shares of our common stock be available for issuance under the Section 423 component of the ESPP. Our board of directors or the compensation committee will have authority to interpret the terms of the ESPP and determine eligibility of participants. We expect that the board of directors will be the initial administrator of the ESPP.

Eligibility

The plan administrator may designate certain of our subsidiaries as participating "designated subsidiaries" in the ESPP and may change these designations from time to time. We expect that our employees, other than employees who, immediately after the grant of a right to purchase common stock under the ESPP, would own (directly or through attribution) stock possessing 5% or more of the total combined voting power or value of all classes of our common or other class of stock, will be eligible to participate in the ESPP.

Grant of Rights

The Section 423 component of the ESPP will be intended to qualify under Section 423 of the Code and shares of our common stock will be offered under the ESPP during offering periods. The length of the offering periods under the ESPP will be determined by the plan administrator and may be up to 27 months long. Employee payroll deductions will be used to purchase shares on each purchase date during an offering period. The purchase dates for each offering period will be the final trading day in each purchase period. Offering periods under the ESPP will commence when determined by the plan administrator. The plan administrator may, in its discretion, modify the terms of future offering periods. We do not expect that any offering periods will commence under the ESPP at the time of this offering.

The ESPP will permit participants to purchase common stock through payroll deductions of up to a percentage of their eligible compensation, which includes a participant's gross base compensation for services to us. The plan administrator will establish a maximum number of shares that may be purchased by a participant during any offering period, which, in the absence of a contrary designation, will be equal to 2,500 shares. In addition, under the Section 423 component, no employee will be permitted to accrue the right to purchase stock under the ESPP at a rate in excess of $25,000 worth of shares during any calendar year during which such a purchase right is outstanding (based on the fair market value per share of our common stock as of the first trading day of the offering period).

On the first trading day of each offering period, each participant will automatically be granted an option to purchase shares of our common stock. The option will expire at the end of the applicable offering period and will be exercised on each purchase date during such offering period to the extent of the payroll deductions accumulated during the offering period. The purchase price will be the lower of 85% of the fair market value of a share on the first day of an offering period in which a participant is enrolled or 85% of the fair market value of a share on the purchase date, which will occur on the last day of each purchase period. Participants may voluntarily end their participation in the ESPP prior to the end of the applicable offering period, and will be paid their accrued payroll deductions that have not yet been used to purchase shares of common stock.

Unless a participant has previously canceled his or her participation in the ESPP before the purchase date, the participant will be deemed to have exercised his or her option in full as of each purchase date. Upon exercise, the participant will purchase the number of whole shares that his or her accumulated payroll deductions will buy at the option purchase price, subject to the participation limitations listed above. Participation will end automatically upon a participant's termination of employment.

A participant will not be permitted to transfer rights granted under the ESPP other than by will, the laws of descent and distribution or as otherwise provided under the ESPP.

Certain Transactions

In the event of certain transactions or events affecting our common stock, such as any stock dividend or other distribution, reorganization, merger, consolidation, or other corporate transaction, the plan administrator will make equitable adjustments to the ESPP and outstanding rights. In addition, in the event of the foregoing transactions or events or certain significant transactions, the plan administrator may provide for (1) either the replacement of outstanding rights with other rights or property or termination of outstanding rights in exchange for cash, (2) the assumption or substitution of outstanding rights by the successor or survivor corporation or parent or subsidiary thereof, if any, (3) the adjustment in the number and type of shares of stock subject to outstanding rights, (4) the use of participants' accumulated payroll deductions to purchase stock on a new purchase date prior to the next scheduled purchase date and termination of any rights under ongoing offering periods or (5) the termination of all outstanding rights.

Plan Amendment

The plan administrator may amend, suspend or terminate the ESPP at any time. However, stockholder approval of any amendment to the ESPP will be obtained for any amendment that increases the aggregate number or changes the type of shares that may be sold pursuant to rights under the ESPP, or changes the corporations or classes of corporations the employees of which are eligible to participate in the ESPP.

PRINCIPAL STOCKHOLDERS

The following table sets forth information regarding the beneficial ownership of our common stock as of August 31, 2021, and pro forma to reflect the sale of the shares of common stock offered in this offering for:

- each person or entity who is known by us to beneficially own more than 5% of our common stock;
- each of our directors and named executive officers; and
- all of our directors and executive officers as a group.

Information with respect to beneficial ownership has been furnished to us by each director, executive officer or stockholder listed in the table below, as the case may be. The amounts and percentages of our common stock beneficially owned are reported on the basis of rules of the SEC governing the determination of beneficial ownership of securities. Under these rules, a person is deemed to be a "beneficial owner" of a security if that person has or shares "voting power," which includes the power to vote or direct the voting of such security, or "investment power," which includes the power to dispose of or to direct the disposition of such security. A person is also deemed to be a beneficial owner of any securities of which that person has a right to acquire beneficial ownership within 60 days after August 31, 2021, including any shares of our common stock subject to an option that has vested or will vest and be exercisable within 60 days after August 31, 2021. More than one person may be deemed to be a beneficial owner of the same securities.

The number of shares of our common stock beneficially owned by each of the holders as set forth below assumes the conversion of our Series A Preferred Stock into common stock on a one-for-one basis. The number of shares and percentages of beneficial ownership prior to this offering set forth below are based on 151,126,062 shares of common stock outstanding as of August 31, 2021, which includes 5,929,570 shares of common stock expected to result from the conversion of our Series A Preferred Stock into common stock on a one-for-one basis in connection with this offering. The number of shares and percentages of beneficial ownership after this offering set forth below are based on shares of common stock outstanding (assuming no exercise of the underwriters' option to purchase additional shares), or shares of common stock outstanding (assuming full exercise of the underwriters' option to purchase additional shares), in each case, after giving effect to the sale by us of the shares of common stock offered hereby and the automatic conversion of our Series A Preferred Stock into common stock on a one-for-one basis in connection with this offering.

Unless otherwise indicated below, to our knowledge, all persons listed below have sole voting and investment power with respect to their shares of common stock, except to the extent authority is shared by spouses under applicable law and except for each member of the Voting Group, which may be deemed to share beneficial ownership of the shares of common stock owned by the other members of the Voting Group by virtue of being parties to the Stockholders Agreement. Unless otherwise indicated below, the address for each person or entity listed below is c/o Life Time Group Holdings, Inc., 2902 Corporate Place, Chanhassen, Minnesota 55317.

Name of Beneficial Owner	Number of Shares Beneficially Owned	Percentage of Shares Beneficially Owned Before this Offering	Percentage of Shares Beneficially Owned After this Offering	Percentage of Shares Beneficially Owned After this Offering Assuming Full Exercise of Underwriters' Option
5% Stockholders				
TPG Investors (1)	39,732,318	26.3%		
LGP Investors (2)	53,320,108	35.3%		
LNK Investors (3)	9,030,576	6.0%		
MSD Investors (4)	11,448,905	7.6%		
LifeCo LLC (5)	8,326,477	5.5%		

Name of Beneficial Owner	Number of Shares Beneficially Owned	Percentage of Shares Beneficially Owned Before this Offering	Percentage of Shares Beneficially Owned After this Offering	Percentage of Shares Beneficially Owned After this Offering Assuming Full Exercise of Underwriters' Option
Directors and Named Executive Officers				
Bahram Akradi (6)	21,463,000	13.4%		
Thomas E. Bergmann (7)	20,000	*		
Eric J. Buss (8)	100,000	*		
RJ Singh (9)	—	*		
Jeffrey G. Zwiefel (10)	20,000	*		
Jimena Almendares	—	*		
Joel Alsfine	—	*		
Jonathan Coslet	—	*		
John G. Danhakl	—	*		
J. Kristofer Galashan	—	*		
Paul Hackwell	—	*		
David A. Landau	—	*		
Stuart Lasher (11)	250,000	*		
Alejandro Santo Domingo	—	*		
Andres Small	—	*		
All executive officers and directors as a group (16 persons) (12)	21,853,000	13.6%		

* Represents beneficial ownership of less than 1% of our outstanding common stock.

(1) TPG VII Magni SPV, L.P., a Delaware limited partnership, directly holds 34,386,664 shares of our common stock, TPG VII Magni Co-Invest, L.P., a Delaware limited partnership, directly holds 5,133,444 shares of our common stock and TPG Lonestar I, L.P., a Delaware limited partnership (together with TPG VII Magni SPV, L.P. and TPG VII Magni Co-Invest, L.P., the "TPG Funds"), directly holds 212,210 shares of our common stock. The general partner of TPG VII Magni SPV, L.P. is TPG VII Magni GenPar, L.P., a Delaware limited partnership, whose general partner is TPG VII Magni GenPar Advisors, LLC, a Delaware limited liability company, whose sole member is TPG Holdings III, L.P., a Delaware limited partnership, whose general partner is TPG Holdings III-A, L.P., a Cayman Islands limited partnership, whose general partner is TPG Holdings III-A, Inc., a Cayman Islands exempted company, whose sole shareholder is TPG Group Holdings (SBS), L.P., a Delaware limited partnership, whose general partner is TPG Group Holdings (SBS) Advisors, LLC, a Delaware limited liability company, whose sole member is TPG Group Holdings (SBS) Advisors, Inc., a Delaware corporation. The general partner of TPG Lonestar I, L.P. is TPG Lonestar GenPar I, L.P., a Delaware limited partnership, whose general partner is TPG Lonestar GenPar I Advisors, LLC, a Delaware limited liability company, whose sole member is TPG Holdings III, L.P. The general partner of TPG VII Magni Co-Invest, L.P. is TPG Advisors VII, Inc., a Delaware corporation. David Bonderman and James G. Coulter are sole shareholders of each of TPG Group Holdings (SBS) Advisors, Inc. and TPG Advisors VII, Inc. and may therefore be deemed to beneficially own the securities held by the TPG Funds. Messrs. Bonderman and Coulter disclaim beneficial ownership of the securities held by the TPG Funds. The address of each of TPG Group Holdings (SBS) Advisors, Inc., TPG Advisors VII, Inc. and Messrs. Bonderman and Coulter is c/o TPG Global, LLC, 301 Commerce Street, Suite 3300, Fort Worth, TX 76102.

(2) Voting and investment power with respect to the shares of our common stock held by Green LTF Holdings II LP, LGP Associates VI-A, LLC, and LGP Associates VI-B, LLC, or collectively, Green VI, is shared. Messrs. Danhakl and Galashan may also be deemed to share voting and investment power with respect to such shares due to their positions with affiliates of Green VI, and each disclaims beneficial ownership of such shares except to the extent of his pecuniary interest therein. Each of the foregoing entities' and individuals' address is c/o Leonard Green & Partners, L.P., 11111 Santa Monica Boulevard, Suite 2000, Los Angeles, California 90025.

(3) Includes 5,040,279 shares held of record by LNK Partners III, LP, 3,823,244 shares held of record by LNK Life Time Fund, LP and 167,053 shares held of record by LNK Partners III (Parallel), LP (together, the "LNK Funds"). Each of the LNK Funds is controlled by LNK GenPar III, L.P. and LNK Life Time GenPar, L.P., their respective general partners, and each of those is in turn controlled by LNK MGP III, LLC, of which David Landau, a director of Life Time, is the controlling member. As such, each of the entities named herein and Mr. Landau may be deemed to share beneficial ownership of the securities held of record by the LNK Funds. The business address for each of the foregoing entities and Mr. Landau is c/o LNK Partners, 81 Main Street, White Plains, NY 10601.

(4) Consists of 11,220,968 shares held by MSD Life Time Investments, LLC, a Delaware limited liability company ("MSD Life Time Investments") and 227,937 shares held by MSD EIV Private Life Time, LLC, a Delaware limited liability company ("MSD EIV Private Life Time").

MSD Capital, L.P., a Delaware limited partnership ("MSD Capital"), is the investment manager of MSD Life Time Investments and may be deemed to beneficially own securities owned by MSD Life Time Investments. MSD Capital Management LLC, a Delaware limited liability company ("MSD Capital Management") is the general partner of MSD Capital and may be deemed to beneficially own securities owned by MSD Capital. Each of John C. Phelan and Marc R. Lisker is a manager of MSD Capital Management and may be deemed to beneficially own securities owned by MSD Capital Management. Michael S. Dell is the controlling member of MSD Capital Management and may be deemed to beneficially own securities owned by MSD Capital Management. Each of Messrs. Dell, Phelan, and Lisker disclaims beneficial ownership of such securities.

MSD Partners, L.P. ("MSD Partners") is the investment manager of the MSD EIV Private Life Time and may be deemed to beneficially own securities owned by the MSD EIV Private Life Time. MSD Partners (GP), LLC ("MSD GP"), a Delaware limited liability company, is the general partner of MSD Partners, and may be deemed to beneficially own securities beneficially owned by MSD Partners. Each of John C. Phelan, Marc R. Lisker and Brendan P. Rogers is a manager of, and may be deemed to beneficially own securities beneficially owned by, MSD GP.

The address of MSD Life Time Investments and MSD EIV Private Life Time is 645 Fifth Ave, 21st Fl., NY, NY 10022.

(5) These securities are held of record by LifeCo LLC. LifeCo PTC Ltd. is the managing member of LifeCo LLC and is controlled by its board of directors, which consists of Alec Anderson, Peter Pearman, Craig MacIntyre and Carlos Perez. As such, each of LifeCo PTC Ltd. and the members of the board of directors of LifeCo PTC Ltd. may be deemed to share beneficial ownership of the securities held of record by LifeCo LLC. Each of them disclaims any such beneficial ownership. The business address of LifeCo LLC is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and the business address of LifeCo PTC Ltd. is Richmond House, 12 Par-la-Ville Road, Hamilton HM08, Bermuda.

(6) Includes 500,000 shares held of record by Mr. Akradi, 10,619,556 shares held of record by the Bahram Akradi Revocable Trust U/A dated February 7, 2006 and 955,444 shares held of record by the Bahram Akradi 2018 GST Family Trust. Also includes 9,388,000 shares underlying employee stock options held by the Bahram Akradi Revocable Trust U/A dated February 7, 2006 that will vest within 60 days of the date of the effectiveness of this offering. Excludes 525,714 restricted stock units that will vest 180 days following the consummation of this offering.

(7) Excludes (i) 1,200,000 stock options that will become exercisable on the date following the expiration of the lock-up agreement entered into in connection with this offering and (ii) 28,571 restricted stock units that will vest 180 days following the consummation of this offering.

(8) Excludes (i) 750,000 stock options that will become exercisable on the date following the expiration of the lock-up agreement entered into in connection with this offering and (ii) 17,143 restricted stock units that will vest 180 days following the consummation of this offering.

(9) Excludes 250,000 stock options that will become exercisable on the date following the expiration of the lock-up agreement entered into in connection with this offering.

(10) Excludes (i) 1,000,000 stock options that will become exercisable on the date following the expiration of the lock-up agreement entered into in connection with this offering and (ii) 28,571 restricted stock units that will vest 180 days following the consummation of this offering.

(11) These securities are held of record by SG1 Investment Limited Partnership, which is indirectly controlled by Mr. Lasher. Excludes 150,000 stock options held of record by Mr. Lasher that will become exercisable on the date following the expiration of the lock-up agreement entered into in connection with this offering.

(12) Excludes (i) 3,708,000 stock options that will become exercisable on the date following the expiration of the lock-up agreement entered into in connection with this offering and (ii) 599,999 restricted stock units that will vest 180 days following the consummation of this offering.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Our Policy Regarding Related Party Transactions

Our board of directors recognizes the fact that transactions with related persons present a heightened risk of conflicts of interests or improper valuation (or the perception thereof). In connection with this offering, our board of directors intends to adopt a written policy on transactions with related persons that is in conformity with the requirements for issuers having publicly held common stock that is listed on the NYSE. Under such policy:

- any related person transaction, and any material amendment or modification to a related person transaction, must be reviewed and approved or ratified by the disinterested members of the audit committee of the board of directors or the full board of directors; and
- any employment relationship or transaction involving an executive officer and any related compensation must be approved by the compensation committee of the board of directors or recommended by the compensation committee to the board of directors for its approval.

In connection with the review and approval or ratification of a related person transaction:

- management must disclose to the committee or disinterested directors, as applicable, the name of the related person and the basis on which the person is a related person, the material terms of the related person transaction, including the approximate dollar value of the amount involved in the transaction and all the material facts as to the related person's direct or indirect interest in, or relationship to, the related person transaction;
- management must advise the committee or disinterested directors, as applicable, as to whether the related person transaction complies with the terms of our agreements governing our material outstanding indebtedness that limit or restrict our ability to enter into a related person transaction;
- management must advise the committee or disinterested directors, as applicable, as to whether the related person transaction will be required to be disclosed in our applicable filings under the Securities Act or the Exchange Act, and related rules, and, to the extent required to be disclosed, management must ensure that the related person transaction is disclosed in accordance with such Acts and related rules; and
- management must advise the committee or disinterested directors, as applicable, as to whether the related person transaction constitutes a "personal loan" for purposes of Section 402 of the Sarbanes-Oxley Act.

In addition, the related person transaction policy will provide that the committee or disinterested directors, as applicable, in connection with any approval or ratification of a related person transaction involving a non-employee director or director nominee, should consider whether such transaction would compromise the director or director nominee's status as an "independent," or "outside" director, as applicable, under the rules and regulations of the SEC, the NYSE and the Code.

Related Party Transactions

The following is a description of transactions to which we were a party since January 1, 2018 in which the amount involved exceeded or will exceed $120,000, and in which any of our executive officers, directors or holders of more than 5% of any class of our voting securities, or an affiliate or immediate family member thereof, had or will have a direct or indirect material interest.

Leases

In October 2003, we leased a center located within a shopping center that is owned by a general partnership in which our Founder, Chairman and Chief Executive Officer has a 100% interest. During each of the years

ended December 31, 2018, 2019 and 2020, we paid rent pursuant to this lease agreement of $0.8 million, $0.8 million and $0.5 million, respectively. The terms of the original lease were negotiated by one of our then-independent directors on behalf of our Company and were reviewed and approved by a majority of our then-independent and disinterested directors. In September 2015, upon the approval of our board of directors, we exercised a renewal option associated with the original lease. In June 2016, due to the fact that the square footage of the center was expanded and upon approval of our board of directors, we entered into an amended lease agreement. Under the terms of the amended lease agreement, the lease term was extended and the minimum rental payments were adjusted to reflect the increased square footage. The current lease expires in December 2030 and includes four five-year renewal options.

In September 2015, our Founder, Chairman and Chief Executive Officer, through two limited liability companies in which he had a 100% interest, acquired the Woodbury, Minnesota facility that we have occupied and operated as a tenant since 1995. During each of the years ended December 31, 2018, 2019 and 2020, we paid rent pursuant to the applicable lease agreements of $1.0 million, $1.0 million and $0.5 million, respectively. On September 29, 2020, our Founder, Chairman and Chief Executive Officer contributed his ownership of our center in Woodbury, Minnesota to a limited liability company jointly owned by our Founder, Chairman and Chief Executive Officer, a former executive officer and Mr. Stuart Lasher, a member of our board of directors, among other investors ("LTRE"). Following this contribution, we terminated our existing lease with the entities owned by our Founder, Chairman and Chief Executive Officer and entered into a new lease for the Woodbury center with subsidiaries of LTRE. The new lease, which we are currently accounting for as an operating lease, has an initial term of 20 years, and includes four renewal options of five years each.

Sale-Leaseback Transactions

During the year ended December 31, 2017, we entered into sale-leaseback transactions associated with two of our properties, with a limited liability company that is a related party to one of our stockholders, LNK Partners. Each lease expires in September 2042 and includes six five-year renewal options. During the years ended December 31, 2018, 2019 and 2020, we paid rent pursuant to these leases of $6.0 million, $6.0 million and $4.5 million, respectively.

During the year ended December 31, 2018, we entered into a sale-leaseback transaction involving one property, with a limited liability company in which our Founder, Chairman and Chief Executive Officer owns a 33% interest. Under this agreement, we sold assets with a net book value of $21.5 million for $18.0 million, which was reduced by transaction costs of less than $0.1 million, for net cash proceeds of $17.9 million. The estimated fair value of the property at the time of sale was approximately $21.7 million. As a result of our continuing involvement with the property after the sale, we initially accounted for this arrangement as a financing transaction. Upon our adoption of ASC 842, we reassessed this sale-leaseback transaction and determined that it qualified as a sale under the new guidance. As a result, financing accounting was discontinued, and we began accounting for the arrangement as an operating lease. The initial lease term expires in June 2043 and includes two eight-year renewal options. During the years ended December 31, 2018, 2019 and 2020, we paid aggregate rent pursuant to this lease agreement of $0.8 million, $1.2 million and $0.8 million, respectively.

During the year ended December 31, 2019, we entered into a sale-leaseback transaction involving one property, with a limited liability company jointly owned by our Founder, Chairman and Chief Executive Officer and Mr. Lasher, a member of our board of directors. Under this agreement, we sold assets with a net book value of $37.5 million for $32.0 million, which was reduced by transaction costs totaling approximately $0.2 million, for net cash proceeds of $31.8 million. ASC 842 requires sale-leaseback transactions with related third parties to be accounted for at their contractually-stated terms. Accordingly, we recognized a loss of $5.7 million, which is included in Other operating expense in our consolidated statement of operations for the year ended December 31, 2019. The lease has been classified as an operating lease, the initial term of which is approximately 25 years, and includes five renewal options of five years each. During the years ended December 31, 2019 and 2020, we paid aggregate rent pursuant to this lease agreement of $2.2 million and $1.5 million, respectively.

During the year ended December 31, 2020, we consummated a sale-leaseback transaction, involving one property, with a subsidiary of LTRE. Under this agreement, we sold assets with a net book value of $35.1 million for $37.0 million. The lease is classified as an operating lease, with an initial term of approximately 25 years and six renewal options of five years each. During the year ended December 31, 2020, we paid aggregate rent pursuant to this lease agreement of $0.3 million.

Stockholder Note Receivable

On August 27, 2018, we entered into a loan agreement with our Founder, Chairman and Chief Executive Officer, who is also one of our stockholders, pursuant to which we loaned him $20.0 million. As security for repayment of the stockholder note receivable, we were granted a security interest in 5,000,000 shares of our common stock held by our Founder, Chairman and Chief Executive Officer. On July 3, 2019, in connection with the execution of the First Stock Purchase Agreement (as defined under "—Stockholders Agreement" below) and upon approval of our board of directors, we amended the loan agreement to reflect the cancellation of an aggregate principal amount of $5.0 million. All other terms and conditions associated with the initial loan agreement remained unchanged. The stockholder note receivable bears interest equal to the highest interest rate associated with the revolving portion of the Credit Facilities or, if there are no outstanding revolving borrowings, the highest interest rate associated with outstanding borrowings under the term loans portion of the Credit Facilities.

The cancellation of $5.0 million aggregate principal amount of the loan described above was accounted for as an equity transaction, whereby the stockholder note receivable and additional paid-in capital balances recognized on our consolidated balance sheet were each reduced by $5.0 million. The income tax benefit of approximately $1.3 million associated with the principal cancellation was recognized as an increase in both Income tax receivable and Additional paid-in capital on our consolidated balance sheet. At December 31, 2018, 2019 and 2020, the outstanding stockholder note receivable balance was $20.0 million, $15.0 million and $15.0 million, respectively, each of which is recognized as a reduction of stockholders' equity on our consolidated balance sheets. For cash flow purposes, the $20.0 million we loaned to our Founder, Chairman and Chief Executive Officer is reported within the financing section on our consolidated statement of cash flows for the year ended December 31, 2018. In August 2021, we entered into an agreement pursuant to which we agreed to cancel the outstanding principal and interest amounts owed under the stockholder note receivable.

Related Party Secured Loan

In June 2020, LT Co-Borrower, LLC and LT Canada Co-Borrower, LLC, each of which was a newly-formed co-borrower unrestricted indirect subsidiary of LT Inc., borrowed $101.5 million as a Related Party Secured Loan from an investor group that is comprised solely of our stockholders or their affiliates. On January 21, 2021, the total outstanding principal and accrued and unpaid interest balance of approximately $108.6 million under the Related Party Secured Loan was converted, on a dollar-for-dollar basis, into 5,429,570 shares of our Series A Preferred Stock. In connection with the consummation of this offering, each share of our Series A Preferred Stock will automatically convert into shares of our common stock. See Note 8, Mezzanine Equity, to our unaudited condensed consolidated financial statements included elsewhere in this prospectus for a description of the conversion formula applicable to our Series A Preferred Stock in connection with the consummation of this offering. See also "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Debt Capitalization" for additional information.

Stockholders Agreement

As part of our go-private transaction in 2015, we became owned by a consortium including affiliates of LGP, TPG, LNK Partners and certain members of management at that time, including Mr. Akradi. We and our stockholders entered into a stockholders agreement, which was amended and restated on July 3, 2019 and January 6, 2020 in connection with the equity sale transactions described below (as amended, the " Prior Stockholders Agreement"), to govern, among other things, the election of directors, preemptive rights, rights of first offer upon a disposition of shares, permitted transferees, tag along rights, drag along rights, registration

rights, repurchase rights and other actions requiring the approval of stockholders or relating to certain members of our management. On May 23, 2019, we entered into a stock purchase agreement (the "First Stock Purchase Agreement") with certain of our existing stockholders (the "Selling Stockholders") and new investors whereby we agreed to sell, and the new investors agreed to purchase, 29 million shares of our common stock (of which 4.25 million shares were sold by us as newly-issued shares) for a total purchase price of $725.0 million, of which $108.6 million represented primary equity proceeds received by us and $616.4 million represented secondary equity proceeds (i.e., proceeds associated with our previously-issued common shares) received by the Selling Stockholders. On November 5, 2019, we entered into another stock purchase agreement with certain of our existing stockholders and additional new investors whereby we and such existing stockholders agreed to sell, and the additional new investors agreed to purchase, shares of our common stock for a total purchase price of $150.0 million, of which $90.0 million represented primary equity proceeds received by us and $60.0 million represented secondary equity proceeds received by such existing stockholders. The Prior Stockholders Agreement was amended and restated in connection with each of these transactions with respect to certain management rights and transfer restrictions as well as to reflect changes in our ownership.

In connection with the consummation of this offering, we will amend and restate the Prior Stockholders Agreement to amend the provisions relating to certain registration rights and to provide specific board rights and obligations. Following this offering, the Stockholders Agreement will include provisions pursuant to which we will grant the right to cause us, in certain instances, at our expense, to file registration statements under the Securities Act covering resales of our common stock held by LGP and TPG, and the right to members of the Voting Group and certain other stockholders to piggyback on such registration statements in certain circumstances. These shares will represent approximately % of our common stock after this offering, or approximately % if the underwriters exercise their option to purchase additional shares in full. These shares also may be sold under Rule 144 under the Securities Act, depending on their holding period and subject to restrictions in the case of shares held by persons deemed to be our affiliates. The Stockholders Agreement will also require us to indemnify such stockholders in connection with any registrations of our securities.

In addition, the Stockholders Agreement will provide that, subject to certain stock ownership thresholds set forth therein, members of the Voting Group will be entitled to designate individuals to be included in the slate of nominees recommended by our board of directors for election to our board of directors, so as to ensure that the composition of our board of directors and its committees complies with the provisions of the Stockholders Agreement related to the composition of our board of directors and its committees, which are discussed under "Management—Composition of the Board of Directors after this Offering" and "Management—Committees of the Board of Directors." In addition, members of the Voting Group will agree to vote their shares of our common stock in favor of the election of such nominees.

Stock Option Purchase Offer

On June 6, 2019, in connection with the investment by the new investors described under "—Stockholders Agreement" above, we launched a voluntary stock option purchase offer (the "Offer") whereby, subject to certain conditions and limitations, we offered eligible holders of qualifying stock options granted under our 2015 Equity Incentive Plan, including qualifying officers of our Company (but not including Mr. Akradi), the right to sell up to a number of vested options representing 20% of the aggregate number of shares subject to such options (or any smaller number of shares) back to us. In connection with the Offer, 1,579,193 options were purchased for an aggregate price of $23.2 million.

Indemnification of Directors and Officers; Directors' and Officers' Insurance

Our amended and restated bylaws, as will be in effect upon the closing of this offering, will provide that we will indemnify our directors and officers to the fullest extent permitted by the DGCL, subject to certain exceptions contained in our amended and restated bylaws. In addition, our amended and restated certificate of incorporation, as will be in effect upon the closing of this offering, will provide that our directors will not be liable for monetary damages for breach of fiduciary duty.

Upon the closing of this offering, we will enter into indemnification agreements with each of our executive officers and directors. The indemnification agreements will provide the indemnitees with contractual rights to indemnification, and expense advancement and reimbursement, to the fullest extent permitted under the DGCL, subject to certain exceptions contained in those agreements. We will also purchase and maintain insurance on behalf of any person who is or was an officer or director of our Company in such person's official capacity against any liability asserted against and incurred by such person in or arising from that capacity.

There is no pending litigation or proceeding naming any of our directors or officers for which indemnification is being sought, and we are not aware of any pending litigation that may result in claims for indemnification by any director or executive officer.

Directed Share Program

At our request, the underwriters have reserved, at the initial public offering price, up to % of the common stock offered by this prospectus for sale to certain of our directors, officers, employees, business associates and related persons. See "Underwriting (Conflicts of Interest)—Directed Share Program."

Employment Agreements

From time to time, we may also enter into other employment or compensation arrangements with senior management or other key employees. For instance, we are party to employment agreements with each of our named executive officers other than Mr. Singh, which provide for severance benefits in connection with certain qualifying terminations. In addition, in connection with this offering, we have entered into new offer letters and/or employment agreements with each of our executives. For further discussion of these agreements, see "Compensation Discussion and Analysis—Named Executive Officer Employment Arrangements."

Other

On January 1, 2021, we extended for an additional year a consulting agreement with a company owned by the wife of one of our former executive vice presidents. Under this agreement, her company provides us with Life Time Mind programing, services and training. We first entered into this agreement in March 2018 and pay $180,000 per year for these services.

In November 2017, LT Inc. and an entity owned by our President and Chief Financial Officer, Thomas E. Bergmann, each acquired a 50% interest in a Cessna Citation Encore aircraft. In connection with this joint ownership, LT Inc. and Mr. Bergmann's entity entered into certain co-ownership, maintenance and personnel agreements under which the entity owned by Mr. Bergmann contributes approximately $120,000 per year to an operations fund for the fixed costs for the aircraft. LT Inc. and the entity owned by Mr. Bergmann agreed to pay for the costs associated with their respective trips.

Meghan Akradi, the daughter of our Founder, Chairman and Chief Executive Officer, currently serves as a director of real estate development for Life Time. During the years ended December 31, 2018, 2019 and 2020, she received total compensation of $121,035, $142,353 and $157,171, respectively, for her services.

In the ordinary course of our business, we may purchase products and services from certain companies which are affiliated with holders of more than 5% of our common stock. For instance, we purchase branded products to offer and sell to our members from Halo Branded Solutions ("Halo"), an affiliate of TPG. During the years ended December 31, 2019 and 2020, we purchased products from Halo in the amount of approximately $218,000 and $298,000, respectively. In addition, we purchase staffing services from Insight Global, Inc. ("Insight"), an affiliate of LGP. During the year ended December 31, 2020, we purchased services from Insight in the amount of approximately $2.4 million. We also purchase repair and maintenance services from Cushman & Wakefield ("Cushman"), an affiliate of TPG, and during the year ended December 31, 2020, we purchased services from Cushman in the amount of approximately $259,000.

DESCRIPTION OF CAPITAL STOCK

The following descriptions of our capital stock and provisions of our amended and restated certificate of incorporation and our amended and restated bylaws are summaries and are qualified by reference to the amended and restated certificate of incorporation and the amended and restated bylaws, which will be in effect upon consummation of this offering and the forms of which are filed as exhibits to the registration statement of which this prospectus forms a part.

General

Our authorized capital stock following this offering will consist of shares of common stock, par value $0.01 per share, and shares of preferred stock, par value $0.01 per share. Unless the board of directors determines otherwise, we will issue all shares of our capital stock in uncertificated form. We urge you to read our amended and restated certificate of incorporation and our amended and restated bylaws.

Common Stock

Our amended and restated certificate of incorporation authorizes a total of shares of common stock. Upon the consummation of this offering, we expect that shares of common stock, or shares of common stock if the underwriters exercise their option to purchase additional shares from us in full, will be issued and outstanding.

Holders of our common stock are entitled to one vote for each share held on all matters submitted to a vote of stockholders and do not have cumulative voting rights. An election of directors by our stockholders shall be determined by a plurality of the votes cast by the stockholders entitled to vote on the election. Holders of common stock are entitled to receive proportionately any dividends as may be declared by our board of directors, subject to any preferential dividend rights of any series of preferred stock that we may designate and issue in the future.

In the event of our liquidation, dissolution, or winding up, the holders of common stock are entitled to receive proportionately our net assets available for distribution to stockholders after the payment in full of all debts and other liabilities and subject to the prior rights of any outstanding preferred stock. Holders of common stock have no preemptive, subscription, redemption or conversion rights. There will be no sinking fund provisions applicable to our common stock. The rights, preferences and privileges of holders of common stock are subject to and may be adversely affected by the rights of the holders of shares of any series of preferred stock that we may designate and issue in the future.

Preferred Stock

Our amended and restated certificate of incorporation authorizes a total of shares of preferred stock. Upon the closing of this offering and the automatic conversion of our outstanding Series A Preferred Stock into common stock, we will have no shares of preferred stock issued or outstanding.

Under the terms of our amended and restated certificate of incorporation, our board of directors is authorized to direct us to issue shares of preferred stock in one or more series without stockholder approval. Our board of directors has the discretion to determine the rights, preferences, privileges and restrictions, including voting rights, dividend rights, conversion rights, redemption privileges and liquidation preferences, of each series of preferred stock.

The purpose of authorizing our board of directors to issue preferred stock and determine its rights and preferences is to eliminate delays associated with a stockholder vote on specific issuances. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions, future financings and other

corporate purposes, could have the effect of making it more difficult for a third party to acquire, or could discourage a third party from seeking to acquire, a majority of our outstanding voting stock. We have no present plans to issue any shares of preferred stock.

Authorized but Unissued Shares

The authorized but unissued shares of our common stock and our preferred stock are available for future issuance without stockholder approval, subject to any limitations imposed by the listing standards of the NYSE. These additional shares may be used for a variety of corporate finance transactions, acquisitions and employee benefit plans. The existence of authorized but unissued and unreserved common stock and preferred stock could make more difficult or discourage an attempt to obtain control of us by means of a proxy contest, tender offer, merger or otherwise.

Stockholders Agreement

Upon the closing of this offering, we will enter into the Stockholders Agreement pursuant to which members of the Voting Group will have specified board representation rights, governance rights and other rights. See "Management—Composition of the Board of Directors after this Offering" and "Certain Relationships and Related Party Transactions—Stockholders Agreement."

Registration Rights

Upon the closing of this offering, the holders of shares of our common stock, or their transferees, will be entitled to various rights with respect to the registration of these shares under the Securities Act. Registration of these shares under the Securities Act would result in these shares becoming fully tradable without restriction under the Securities Act immediately upon the effectiveness of the registration, except for shares purchased by affiliates. Shares covered by a registration statement will be eligible for sale in the public market upon the expiration or release from the terms of the lock-up agreement.

Exclusive Venue

Our amended and restated certificate of incorporation and our amended and restated bylaws will require, to the fullest extent permitted by law, that (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or other employees to us or our stockholders, (iii) any action asserting a claim against us arising pursuant to any provision of the DGCL or our amended and restated certificate of incorporation or our amended and restated bylaws, or (iv) any action asserting a claim against us governed by the internal affairs doctrine will have to be brought only in the Court of Chancery in the State of Delaware (or the federal district court for the District of Delaware or other state courts of the State of Delaware if the Court of Chancery in the State of Delaware does not have jurisdiction). Our amended and restated certificate of incorporation and amended and restated bylaws will also require that the federal district courts of the United States of America will be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act; however, there is uncertainty as to whether a court would enforce such provision, and investors cannot waive compliance with federal securities laws and the rules and regulations thereunder. Although we believe these provisions will benefit us by providing increased consistency in the application of applicable law in the types of lawsuits to which they apply, the provisions may have the effect of discouraging lawsuits against our directors and officers. These provisions would not apply to any suits brought to enforce any liability or duty created by the Exchange Act or any other claim for which the federal courts of the United States have exclusive jurisdiction.

Conflicts of Interest

Delaware law permits corporations to adopt provisions renouncing any interest or expectancy in certain opportunities that are presented to the corporation or its officers, directors or stockholders. Our amended and

restated certificate of incorporation will, to the maximum extent permitted from time to time by Delaware law, renounce any interest or expectancy that we have in, or right to be offered an opportunity to participate in, specified business opportunities that are from time to time presented to our officers, directors or stockholders or their respective affiliates, other than those officers, directors, stockholders or affiliates who are our or our subsidiaries' employees. Our amended and restated certificate of incorporation will provide that, to the fullest extent permitted by law, none of the members of the Voting Group or any of their affiliates or any director who is not employed by us (including any non-employee director who serves as one of our officers in both his director and officer capacities) or his or her affiliates will have any duty to refrain from (i) engaging in a corporate opportunity in the same or similar lines of business in which we or our affiliates now engage or propose to engage or (ii) otherwise competing with us or our affiliates. In addition, to the fullest extent permitted by law, in the event that a member of the Voting Group or any non-employee director acquires knowledge of a potential transaction or other business opportunity which may be a corporate opportunity for itself or himself or its or his affiliates or for us or our affiliates, such person will have no duty to communicate or offer such transaction or business opportunity to us or any of our affiliates and they may take any such opportunity for themselves or offer it to another person or entity. Our amended and restated certificate of incorporation will not renounce our interest in any business opportunity that is expressly offered to a non-employee director solely in his or her capacity as a director or officer of the Company. To the fullest extent permitted by law, no business opportunity will be deemed to be a potential corporate opportunity for us unless we would be permitted to undertake the opportunity under our amended and restated certificate of incorporation, we have sufficient financial resources to undertake the opportunity and the opportunity would be in line with our business.

Limitations on Liability and Indemnification of Officers and Directors

The DGCL authorizes corporations to limit or eliminate the personal liability of directors to corporations and their stockholders for monetary damages for breaches of directors' fiduciary duties, subject to certain exceptions. Our amended and restated certificate of incorporation includes a provision that eliminates the personal liability of directors for monetary damages for any breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the DGCL. The effect of these provisions is to eliminate the rights of us and our stockholders, through stockholders' derivative suits on our behalf, to recover monetary damages from a director for breach of fiduciary duty as a director, including breaches resulting from grossly negligent behavior. However, exculpation does not apply to any director if the director has acted in bad faith, knowingly or intentionally violated the law, authorized illegal dividends or redemptions or derived an improper benefit from his or her actions as a director.

Our amended and restated bylaws provide that we must indemnify and advance expenses to our directors and officers to the fullest extent authorized by the DGCL. We also are expressly authorized to carry directors' and officers' liability insurance providing indemnification for our directors, officers and certain employees for some liabilities. We believe that these indemnification and advancement provisions and insurance are useful to attract and retain qualified directors and executive officers.

The limitation of liability, indemnification and advancement provisions in our amended and restated certificate of incorporation and amended and restated bylaws may discourage stockholders from bringing a lawsuit against directors for breach of their fiduciary duty. These provisions also may have the effect of reducing the likelihood of derivative litigation against directors and officers, even though such an action, if successful, might otherwise benefit us and our stockholders. In addition, your investment may be adversely affected to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions.

We intend to enter into indemnification agreements with certain of our directors and officers. These agreements require us to indemnify these individuals to the fullest extent permitted under Delaware law against liabilities that may arise by reason of their service to us, and to advance expenses incurred as a result of any proceeding against them as to which they could be indemnified.

There is currently no pending material litigation or proceeding involving any of our directors, officers or employees for which indemnification is sought.

Anti-Takeover Effects of Provisions of Our Amended and Restated Certificate of Incorporation, Our Amended and Restated Bylaws and Delaware Law

Certain provisions of Delaware law and our amended and restated certificate of incorporation and amended and restated bylaws contain provisions that may delay, defer or discourage another party from acquiring control of us. We expect that these provisions, which are summarized below, will discourage coercive takeover practices or inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with our board of directors, which we believe may result in an improvement of the terms of any such acquisition in favor of our stockholders. However, they also give our board of directors the power to discourage acquisitions that some stockholders may favor.

Classified Board of Directors

Our amended and restated certificate of incorporation provides that our board of directors is divided into three classes, with the classes as nearly equal in number as possible and, following the expiration of specified initial terms for each class, each class serving three-year staggered terms. As a result, approximately one-third of our directors are expected to be elected each year. Pursuant to the terms of the Stockholders Agreement, directors designated by members of our Voting Group may only be removed with or without cause by the request of the party entitled to designate such director. In all other cases, our amended and restated certificate of incorporation provides that directors may only be removed from our board of directors for cause by the affirmative vote of at least two-thirds of the voting power of the then outstanding shares of voting stock, following such time as when the Voting Group collectively ceases to own, in the aggregate, 50% or more of the voting power of our common stock. Prior to that time, any individual director may be removed with or without cause by the affirmative vote of a majority of the confirmed voting power of our common stock. See “Management—Composition of the Board of Directors After this Offering.” These provisions may have the effect of deferring, delaying or discouraging hostile takeovers, or changes in control of us or our management.

Requirements for Advance Notification of Stockholder Meetings, Nominations and Proposals

Our amended and restated certificate of incorporation will provide that, after the date on which LGP, TPG and their respective affiliates cease to beneficially own, in the aggregate, more than 50% in voting power of our stock entitled to vote generally in the election of directors, special meetings of the stockholders may be called only by the chairman of the board, a resolution adopted by the affirmative vote of the majority of the directors then in office and not by our stockholders or any other person or persons. Our amended and restated bylaws prohibit the conduct of any business at a special meeting other than as specified in the notice for such meeting. In addition, any stockholder who wishes to bring business before an annual meeting or nominate directors must comply with the advance notice requirements set forth in our amended and restated bylaws. These provisions may have the effect of deferring, delaying or discouraging hostile takeovers or changes in control of us or our management.

Stockholder Action by Written Consent

Pursuant to Section 228 of the DGCL, any action required to be taken at any annual or special meeting of the stockholders 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, is 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 of our stock entitled to vote thereon were present and voted, unless our amended and restated certificate of incorporation provides otherwise. Our amended and restated certificate of incorporation will prohibit stockholder action by written consent (and, thus, requires that all stockholder actions be taken at a meeting of our stockholders), if the Voting Group collectively ceases to own, or no longer has the right to direct the vote of, 50% or more of the voting power of our common stock.

Approval for Amendment of Certificate of Incorporation and Bylaws

The DGCL provides generally that the affirmative vote of holders of a majority in voting power of outstanding shares entitled to vote on the matter is required to amend a corporation's certificate of incorporation, unless a corporation's certificate of incorporation requires a greater percentage. Our amended and restated certificate of incorporation will provide that the affirmative vote of holders of at least two-thirds of the voting power of all of the then outstanding shares of voting stock, voting as a single class, will be required to amend certain provisions of our amended and restated certificate of incorporation, including provisions relating to the size of the board, removal of directors, special meetings, actions by written consent and cumulative voting, if the Voting Group collectively ceases to own, or no longer has the right to direct the vote of, at least 50% of the voting power of our common stock. The affirmative vote of holders of at least two-thirds of the voting power of all of the then outstanding shares of voting stock, voting as a single class, will be required to amend or repeal our amended and restated bylaws, if the Voting Group collectively ceases to own, or no longer has the right to direct the vote of, at least 50% of the voting power of our common stock, although our amended and restated bylaws may be amended by a simple majority vote of our board of directors.

Business Combinations

We have opted out of Section 203 of the DGCL.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock will be American Stock Transfer & Trust.

Stock Exchange Listing

We intend to apply to list our common stock on the NYSE under the symbol "LTH."

SHARES ELIGIBLE FOR FUTURE SALE

The sale of a substantial amount of our common stock in the public market after this offering could adversely affect the prevailing market price of our common stock. Furthermore, all of our common stock outstanding prior to the consummation of this offering will be subject to the contractual and legal restrictions on resale described below. The sale of a substantial amount of common stock in the public market after these restrictions lapse, or the expectation that such a sale may occur, could adversely affect the prevailing market price of our common stock and our ability to raise equity capital in the future.

Upon consummation of this offering, we expect to have outstanding an aggregate of shares of our common stock, assuming the conversion of our Series A Preferred Stock to common stock, no exercise of outstanding options and that the underwriters have not exercised their option to purchase additional shares. All of the shares of common stock sold in this offering will be freely transferable without restriction or further registration under the Securities Act by persons other than "affiliates," as that term is defined in Rule 144 under the Securities Act. Generally, the balance of our outstanding shares of common stock are "restricted securities" within the meaning of Rule 144 under the Securities Act, and the sale of those shares will be subject to the limitations and restrictions that are described below. Shares of our common stock that are not restricted securities and are purchased by our affiliates will be "control securities" under Rule 144. Restricted securities may be sold in the public market only if registered under the Securities Act or if they qualify for an exemption from registration under Rule 144 or Rule 701 under the Securities Act. These rules are summarized below. Control securities may be sold in the public market subject to the restrictions set forth in Rule 144, other than the holding period requirement.

Upon the expiration of the lock-up agreements described below, and subject to the provisions of Rule 144, all of the shares of our common stock that are restricted securities, or are held by our affiliates as of the date of this prospectus, will be available for sale in the public market. The sale of these restricted securities is subject, in the case of shares held by affiliates, to the volume restrictions contained in Rule 144.

Lock-up Agreements

In connection with this offering, we, our directors and executive officers and holders of substantially all of our outstanding shares of our common stock have agreed with the underwriters to enter into lock-up agreements described in "Underwriting (Conflicts of Interest)," pursuant to which shares of our common stock outstanding after this offering will be restricted from immediate resale in accordance with the terms of such lock-up agreements without the prior written consent of Goldman Sachs & Co. LLC and Morgan Stanley & Co. LLC. Under these agreements, subject to limited exceptions, neither we nor any of our directors or officers or these holders may directly or indirectly sell, dispose of, hedge or otherwise transfer the economic consequences of ownership of any shares of common stock or securities convertible into or exchangeable or exercisable for shares of common stock. These restrictions will be in effect for a period of 180 days after the date of this prospectus. Certain transfers or dispositions can be made sooner, provided the transferee becomes bound to the terms of the lock-up.

Rule 144

In general, under Rule 144 as in effect on the date of this prospectus, beginning 90 days after the consummation of this offering, a person (or persons whose common stock is required to be aggregated), who is an affiliate, and who has beneficially owned our common stock for at least six months, is entitled to sell in any three-month period a number of shares that does not exceed the greater of:

- 1% of the number of shares of our common stock then outstanding, which will equal approximately shares immediately after consummation of this offering (shares if the underwriters fully exercise their option to purchase additional shares); or
- the average weekly trading volume in our common stock on the NYSE during the four calendar weeks preceding the filing of a notice on Form 144 with respect to that sale.

Sales by our affiliates under Rule 144 are also subject to manner of sale provisions and notice requirements and to the availability of current public information about us. An "affiliate" is a person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with an issuer.

Under Rule 144, a person (or persons whose shares are aggregated) who is not deemed to have been an affiliate of ours at any time during the 90 days preceding a sale, and who has beneficially owned the shares proposed to be sold for at least six months (including the holding period of any prior owner other than an affiliate), would be entitled to sell those shares subject only to availability of current public information about us, and after beneficially owning such shares for at least twelve months, would be entitled to sell an unlimited number of shares without restriction. To the extent that our affiliates sell their common stock, other than pursuant to Rule 144 or a registration statement, the purchaser's holding period for the purpose of effecting a sale under Rule 144 commences on the date of transfer from the affiliate.

Rule 701

In general, under Rule 701 as in effect on the date of this prospectus, any of our employees, directors, officers, consultants or advisors who purchased shares from us in reliance on Rule 701 in connection with a compensatory stock or option plan or other written agreement before the effective date of this offering, or who purchased shares from us after that date upon the exercise of options granted before that date, are eligible to resell such shares 90 days after the effective date of this offering in reliance upon Rule 144. If such person is not an affiliate, such sale may be made subject only to the manner of sale provisions of Rule 144. If such a person is an affiliate, such sale may be made under Rule 144 without compliance with the holding period requirement, but subject to the other Rule 144 restrictions described above. However, substantially all Rule 701 shares are subject to lock-up agreements as described above and will become eligible for sale in compliance with Rule 144 only upon the expiration of the restrictions set forth in those agreements.

Stock Plans

We intend to file a registration statement or statements on FormS-8 under the Securities Act covering shares of common stock subject to outstanding equity awards and reserved for issuance under our 2015 Plan, our 2021 Plan and our ESPP. This registration statement is expected to be filed as soon as practicable after the closing date of this offering. Shares issued upon the exercise of stock options after the effective date of the applicable Form S-8 registration statement will be eligible for resale in the public market without restriction, subject to Rule 144 limitations applicable to affiliates and the lock-up agreements described above.

Registration Rights

Following this offering, certain of our stockholders will, under certain circumstances, have the right to require us to register their shares for future sale. See "Certain Relationships and Related Party Transactions—Stockholders Agreement."

MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS TO NON-U.S. HOLDERS

The following discussion is a summary of the material U.S. federal income tax consequences toNon-U.S. Holders (as defined below) of the purchase, ownership and disposition of our common stock issued pursuant to this offering, but does not purport to be a complete analysis of all potential tax effects. The effects of other U.S. federal tax laws, such as estate and gift tax laws, and any applicable state, local or non-U.S. tax laws are not discussed. This discussion is based on the U.S. Internal Revenue Code of 1986, as amended (the "Code"), Treasury Regulations promulgated thereunder, judicial decisions, and published rulings and administrative pronouncements of the U.S. Internal Revenue Service (the "IRS"), in each case in effect as of the date hereof. These authorities may change or be subject to differing interpretations. Any such change or differing interpretation may be applied retroactively in a manner that could adversely affect a Non-U.S. Holder. We have not sought and will not seek any rulings from the IRS regarding the matters discussed below. There can be no assurance the IRS or a court will not take a contrary position to that discussed below regarding the tax consequences of the purchase, ownership and disposition of our common stock.

This discussion is limited to Non-U.S. Holders that hold our common stock as a "capital asset" within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion does not address all U.S. federal income tax consequences relevant to a Non-U.S. Holder's particular circumstances, including the impact of the Medicare contribution tax on net investment income and the alternative minimum tax. In addition, it does not address consequences relevant to Non-U.S. Holders subject to special rules, including, without limitation:

- U.S. expatriates and former citizens or long-term residents of the United States;
- persons holding our common stock as part of a hedge, straddle or other risk reduction strategy or as part of a conversion transaction or other integrated investment;
- banks, insurance companies, and other financial institutions;
- brokers, dealers or traders in securities;
- "controlled foreign corporations," "passive foreign investment companies," and corporations that accumulate earnings to avoid U.S. federal income tax;
- partnerships or other entities or arrangements treated as partnerships for U.S. federal income tax purposes (and investors therein);
- tax-exempt organizations or governmental organizations;
- persons deemed to sell our common stock under the constructive sale provisions of the Code;
- persons who hold or receive our common stock pursuant to the exercise of any employee stock option or otherwise as compensation;
- tax-qualified retirement plans;
- "qualified foreign pension funds" as defined in Section 897(l)(2) of the Code and entities all of the interests of which are held by qualified foreign pension funds; and
- persons subject to special tax accounting rules as a result of any item of gross income with respect to the stock being taken into account in an applicable financial statement.

If an entity treated as a partnership for U.S. federal income tax purposes holds our common stock, the tax treatment of a partner in the partnership will depend on the status of the partner, the activities of the partnership and certain determinations made at the partner level. Accordingly, partnerships holding our common stock and the partners in such partnerships should consult their tax advisors regarding the U.S. federal income tax consequences to them.

THIS DISCUSSION IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT TAX ADVICE. INVESTORS SHOULD CONSULT THEIR TAX ADVISORS WITH RESPECT TO THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATIONS AS WELL AS ANY TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF OUR COMMON STOCK ARISING UNDER THE U.S. FEDERAL ESTATE OR GIFT TAX LAWS OR UNDER THE LAWS OF ANY STATE, LOCAL OR NON-U.S. TAXING JURISDICTION OR UNDER ANY APPLICABLE INCOME TAX TREATY.

Definition of a Non-U.S. Holder

For purposes of this discussion, a "Non-U.S. Holder" is any beneficial owner of our common stock that is neither a "U.S. person" nor an entity treated as a partnership for U.S. federal income tax purposes. A U.S. person is any person that, for U.S. federal income tax purposes, is or is treated as any of the following:

- an individual who is a citizen or resident of the United States;
- a corporation created or organized under the laws of the United States, any state thereof, or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust that (1) is subject to the primary supervision of a U.S. court and the control of one or more "United States persons" (within the meaning of Section 7701(a)(30) of the Code), or (2) has a valid election in effect to be treated as a United States person for U.S. federal income tax purposes.

Distributions

As described in the section entitled "Dividend Policy," we do not anticipate declaring or paying dividends to holders of our common stock in the foreseeable future. However, if we do make distributions of cash or property on our common stock, such distributions will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Amounts not treated as dividends for U.S. federal income tax purposes will constitute a return of capital and first be applied against and reduce a Non-U.S. Holder's adjusted tax basis in its common stock, but not below zero. Any excess will be treated as capital gain and will be treated as described below under "—Sale or Other Taxable Disposition."

Subject to the discussion below on effectively connected income, dividends paid to a Non-U.S. Holder will be subject to U.S. federal withholding tax at a rate of 30% of the gross amount of the dividends (or such lower rate specified by an applicable income tax treaty, provided the Non-U.S. Holder furnishes a valid IRS Form W-8BEN or W-8BEN-E (or other applicable documentation) certifying qualification for the lower treaty rate). A Non-U.S. Holder that does not timely furnish the required documentation, but that qualifies for a reduced treaty rate, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. Non-U.S. Holders should consult their tax advisors regarding their entitlement to benefits under any applicable income tax treaty.

If we were to be considered a USRPHC (as described below under "—Sale or Other Taxable Disposition") and a distribution on our common stock exceeded our current and accumulated earnings and profits, the applicable withholding agent would satisfy any withholding requirements either by treating the entire distribution as a dividend that is subject to the withholding rules described in the preceding paragraph (and withhold at the rate described above, unless an income tax treaty applies, in which case the withholding agent would withhold at a minimum rate of 15% or such lower rate as may be specified by an applicable income tax treaty for distributions from a USRPHC), or by treating only the amount of the distribution reasonably estimated to be paid from our current and accumulated earnings and profits as a dividend, with the excess portion of the distribution subject to withholding at a rate of 15% or such lower rate as may be specified by an applicable income tax treaty.

Because we can provide no assurance that we are not a USRPHC, an applicable withholding agent is likely to apply the rules applicable to distributions by USRPHCs (as described in the preceding sentence).

If dividends paid to a Non-U.S. Holder are effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the Non-U.S. Holder maintains a permanent establishment in the United States to which such dividends are attributable), the Non-U.S. Holder will be exempt from the U.S. federal withholding tax described above. To claim the exemption, the Non-U.S. Holder must furnish to the applicable withholding agent a valid IRS FormW-8ECI, certifying that the dividends are effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States.

Any such effectively connected dividends will be subject to U.S. federal income tax on a net income basis at the regular rates. ANon-U.S. Holder that is a corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on such effectively connected dividends, as adjusted for certain items. Non-U.S. Holders should consult their tax advisors regarding any applicable tax treaties that may provide for different rules.

Sale or Other Taxable Disposition

A Non-U.S. Holder will not be subject to U.S. federal income tax on any gain realized upon the sale or other taxable disposition of our common stock unless:

- the gain is effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the Non-U.S. Holder maintains a permanent establishment in the United States to which such gain is attributable);
- the Non-U.S. Holder is a nonresident alien individual present in the United States for 183 days or more during the taxable year of the disposition and certain other requirements are met; or
- our common stock constitutes a U.S. real property interest ("USRPI") by reason of our status as a U.S. real property holding corporation ("USRPHC") for U.S. federal income tax purposes.

Gain described in the first bullet point above generally will be subject to U.S. federal income tax on a net income basis at the regular rates. A Non-U.S. Holder that is a corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on such effectively connected gain, as adjusted for certain items.

A Non-U.S. Holder described in the second bullet point above will be subject to U.S. federal income tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on gain realized upon the sale or other taxable disposition of our common stock, which may be offset by U.S. source capital losses of the Non-U.S. Holder (even though the individual is not considered a resident of the United States), provided theNon-U.S. Holder has timely filed U.S. federal income tax returns with respect to such losses.

With respect to the third bullet point above, because we have significant ownership of real property located in the United States, we may be or later become a USRPHC, but we have made no determination to that effect. Because the determination of whether we are a USRPHC depends on the fair market value of our USRPIs relative to the fair market value of our non-U.S. real property interests and our other business assets, there can be no assurance we currently are not a USRPHC or will not become one in the future. Even if we are or were to become a USRPHC, gain arising from the sale or other taxable disposition of our common stock by a Non-U.S. Holder will not be subject to U.S. federal income tax if our common stock is "regularly traded," as defined by applicable Treasury Regulations, on an established securities market, and such Non-U.S. Holder owned, actually and constructively, 5% or less of our common stock throughout the shorter of the five-year period ending on the date of the sale or other taxable disposition or the Non-U.S. Holder's holding period. If we are or were to become

a USRPHC and our common stock is not or ceases to be regularly traded on an established securities market, a Non-U.S. Holder generally would be subject to U.S. federal income tax on a net income basis, as described above, on any gain realized from the sale or other taxable disposition of our common stock and a 15% withholding tax would apply to the gross proceeds from such disposition. Any amounts withheld may be refunded or credited against a Non-U.S. holder's U.S. federal income tax liability, provided that the required information is timely provided to the IRS.

Non-U.S. Holders should consult their tax advisors regarding potentially applicable income tax treaties that may provide for different rules.

Information Reporting and Backup Withholding

Payments of dividends on our common stock will not be subject to backup withholding, provided the applicable withholding agent does not have actual knowledge or reason to know the holder is a United States person and the holder either certifies its non-U.S. status, such as by furnishing a valid IRS Form W-8BEN, W-8BEN-E or W-8ECI, or otherwise establishes an exemption. However, information returns are required to be filed with the IRS in connection with any distributions on our common stock paid to the Non-U.S. Holder, regardless of whether such distributions constitute dividends or whether any tax was actually withheld In addition, proceeds of the sale or other taxable disposition of our common stock within the United States or conducted through certain U.S.-related brokers generally will not be subject to backup withholding or information reporting if the applicable withholding agent receives the certification described above and does not have actual knowledge or reason to know that such holder is a United States person or the holder otherwise establishes an exemption. Proceeds of a disposition of our common stock conducted through a non-U.S. office of a non-U.S. broker generally will not be subject to backup withholding or information reporting.

Copies of information returns that are filed with the IRS may also be made available under the provisions of an applicable treaty or agreement to the tax authorities of the country in which the Non-U.S. Holder resides or is established.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a Non-U.S. Holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

Additional Withholding Tax on Payments Made to Foreign Accounts

Withholding taxes may be imposed under Sections 1471 to 1474 of the Code (such Sections commonly referred to as the Foreign Account Tax Compliance Act, or "FATCA") on certain types of payments made to non-U.S. financial institutions and certain other non-U.S. entities. Specifically, a 30% withholding tax may be imposed on dividends on, or (subject to the proposed Treasury Regulations discussed below) gross proceeds from the sale or other disposition of, our common stock paid to a "foreign financial institution" or a "non-financial foreign entity" (each as defined in the Code), unless (1) the foreign financial institution undertakes certain diligence and reporting obligations, (2) the non-financial foreign entity either certifies it does not have any "substantial United States owners" (as defined in the Code) or furnishes identifying information regarding each substantial United States owner, or (3) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. If the payee is a foreign financial institution and is subject to the diligence and reporting requirements in (1) above, it must enter into an agreement with the U.S. Department of the Treasury requiring, among other things, that it undertake to identify accounts held by certain "specified United States persons" or "United States owned foreign entities" (each as defined in the Code), annually report certain information about such accounts, and withhold 30% on certain payments to non-compliant foreign financial institutions and certain other account holders. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing FATCA may be subject to different rules.

Under the applicable Treasury Regulations and administrative guidance, withholding under FATCA generally applies to payments of dividends on our common stock. While withholding under FATCA would have applied also to payments of gross proceeds from the sale or other disposition of stock, proposed Treasury Regulations eliminate FATCA withholding on payments of gross proceeds entirely. Taxpayers generally may rely on these proposed Treasury Regulations until final Treasury Regulations are issued.

Prospective investors should consult their tax advisors regarding the potential application of withholding under FATCA to their investment in our common stock.

UNDERWRITING (CONFLICTS OF INTEREST)

Under the terms and subject to the conditions in an underwriting agreement dated the date of this prospectus, the underwriters named below, for whom Goldman Sachs & Co. LLC, Morgan Stanley & Co. LLC and BofA Securities, Inc. are acting as representatives, have severally agreed to purchase, and we have agreed to sell to them, severally, the number of shares indicated below:

Name	Number of Shares
Goldman Sachs & Co. LLC	
Morgan Stanley & Co. LLC	
BofA Securities, Inc.	
Deutsche Bank Securities Inc.	
J.P. Morgan Securities LLC	
Wells Fargo Securities, LLC	
BMO Capital Markets Corp.	
Mizuho Securities USA LLC	
RBC Capital Markets, LLC	
Guggenheim Securities, LLC	
Oppenheimer & Co. Inc.	
BTIG, LLC	
TPG Capital BD, LLC	
Total	

The underwriters and the representatives are collectively referred to as the "underwriters" and the "representatives," respectively. The underwriters are offering the shares of common stock subject to their acceptance of the shares from us and subject to prior sale. The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the shares of common stock offered by this prospectus are subject to the approval of certain legal matters by their counsel and to certain other conditions. The underwriters are obligated to take and pay for all of the shares of common stock offered by this prospectus if any such shares are taken. However, the underwriters are not required to take or pay for the shares covered by the underwriters' option to purchase additional shares described below.

The underwriters initially propose to offer part of the shares of common stock directly to the public at the offering price listed on the cover page of this prospectus and part to certain dealers at a price that represents a concession not in excess of $ per share under the public offering price. After the initial offering of the shares of common stock, the offering price and other selling terms may from time to time be varied by the representatives. The offering of the shares of common stock by the underwriters is subject to receipt and acceptance and subject to the underwriters' right to reject any order in whole or in part.

We have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus, to purchase up to additional shares of common stock at the public offering price listed on the cover page of this prospectus, less underwriting discounts and commissions. The underwriters may exercise this option to cover sales by the underwriters of a greater number of shares than the total number set forth in the table above. To the extent the option is exercised, each underwriter will become obligated, subject to certain conditions, to purchase about the same percentage of the additional shares of common stock as the number listed next to the underwriter's name in the preceding table bears to the total number of shares of common stock listed next to the names of all underwriters in the preceding table.

The following table shows the per share and total public offering price, underwriting discounts and commissions, and proceeds before expenses to us. These amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase up to an additional shares of common stock.

		Total	
	Per Share	No Exercise	Full Exercise
Public offering price	$	$	$
Underwriting discounts and commissions to be paid by us	$	$	$
Proceeds, before expenses, to us	$	$	$

The estimated offering expenses payable by us, exclusive of the underwriting discounts and commissions, are approximately $. We have agreed to reimburse the underwriters for expenses relating to clearance of this offering with the Financial Industry Regulatory Authority up to $.

The underwriters have informed us that they do not intend sales to discretionary accounts to exceed 5% of the total number of shares of common stock offered by them.

We intend to apply for listing of our common stock on the NYSE under the trading symbol "LTH".

We intend to agree that, without the prior written consent of Goldman Sachs & Co. LLC and Morgan Stanley & Co. LLC on behalf of the underwriters, we will not, and will not publicly disclose an intention to, during the period ending 180 days after the date of this prospectus (the "Company Restricted Period"):

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any shares of common stock or any securities convertible into or exercisable or exchangeable for shares of common stock;
- file any registration statement with the Securities and Exchange Commission relating to the offering of any shares of common stock or any securities convertible into or exercisable or exchangeable for common stock; or
- enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the common stock,

whether any such transaction described above is to be settled by delivery of common stock or such other securities, in cash or otherwise. Notwithstanding the foregoing, such restrictions on us will not apply to:

(A) the shares to be sold in this offering;

(B) the issuance of shares of common stock upon the exercise of an option or warrant, the vesting of a restricted stock unit or the conversion of a security outstanding on the date as described in this prospectus;

(C) the grant of compensatory equity-based awards, and/or the issuance of shares of common stock with respect thereto, or the filing of any registration statement on Form S-8 (including any resale registration statement on Form S-8) relating to securities granted, issued or to be granted pursuant to any plan described in this prospectus or any assumed benefit plan contemplated by clause (B);

(D) common stock or any securities convertible into, or exercisable or exchangeable for, common stock, or the entrance into an agreement to issue common stock or any securities convertible into, or exercisable or exchangeable for, common stock, in connection with any merger, joint venture, strategic alliances, commercial or other collaborative transaction or the acquisition or license of the business, property, technology or other assets of another individual or entity or the assumption of an employee benefit plan in connection with a merger or acquisition; provided that the aggregate number of shares of common stock or any securities convertible into, or

exercisable or exchangeable for, common stock that we may issue or agree to issue pursuant to this clause (D) shall not exceed 10% of the total outstanding share capital of the Company immediately following the issuance of the shares; and provided further, that the recipients of any such shares of common stock and securities issued pursuant to this clause (D) during the Company Restricted Period shall enter into a lock-up agreement substantially as described in this prospectus on or prior to such issuance;

(E) the filing or confidential submission of any registration statement relating to any proposed offering of shares of common stock or any securities convertible into or exercisable or exchangeable for common stock beneficially owned by certain of our stockholders (or their transferees), provided that, no offering or sale of any common stock shall be made during the term of the lock-up agreements signed by such stockholders without the prior written release, waiver or consent from Goldman Sachs & Co. LLC and Morgan Stanley & Co. LLC; or

(F) facilitating the establishment of a trading plan on behalf of a stockholder, officer or director of the Company pursuant to Rule 10b5-1 under the Exchange Act for the transfer of shares of common stock, provided that (i) such plan does not provide for the transfer of common stock during the Company Restricted Period and (ii) to the extent a public announcement or filing under the Exchange Act, if any, is required of or voluntarily made by the Company regarding the establishment of such plan, such announcement or filing shall include a statement to the effect that no transfer of common stock may be made under such plan during the Company Restricted Period.

In addition, all of our directors and all directors and executive officers and the holders of substantially all of our outstanding stock and stock options intend to agree that, without the prior written consent of Goldman Sachs & Co. LLC and Morgan Stanley & Co. LLC, on behalf of the underwriters, they will not, and will not publicly disclose an intention to, during the period ending 180 days after the date of this prospectus (such period, the "Holder Restricted Period"):

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any shares of common stock or any securities convertible into or exercisable or exchangeable for shares of common stock; or
- enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the common stock

whether any such transaction described above is to be settled by delivery of common stock or such other securities, in cash or otherwise.

In addition, the restrictions on our directors and executive officers and the holders of substantially all of our outstanding stock and stock options described above will not apply to:

(A) transactions relating to shares of common stock or other securities acquired (i) in this offering or (ii) in open market transactions after the completion of this offering;

(B) transfers of shares of common stock or any security convertible into common stock as a bona fide gift, or for bona fide estate planning purposes;

(C) in the case of a corporation, partnership, limited liability company or other business entity, (i) to another corporation, partnership, limited liability company or other business entity that is an affiliate (as defined in Rule 405 promulgated under the Securities Act, as amended), or to any investment fund or other entity controlled or managed by the holder of our outstanding stock and stock options or affiliates of such holder, or (ii) as part of a distribution by the undersigned to its stockholders, partners, members or other equityholders or to the estate of any such stockholders, partners, members or other equityholders;

(D) by will, other testamentary document or intestacy;

(E) to any member of the immediate family or to any trust for the direct or indirect benefit of our directors and officers or the holders of all of our outstanding stock and stock options or their immediate family, or if in the

case of a trust, to a trustor or beneficiary of the trust or to the estate of a beneficiary of such trust ("immediate family" means any relationship by blood, current or former marriage, domestic partnership or adoption, not more remote than first cousin);

(F) by operation of law, such as pursuant to a qualified domestic order, divorce settlement, divorce decree or separation agreement;

(G) facilitating the establishment of a trading plan on behalf of a stockholder, officer or director of the Company pursuant to Rule 10b5 1 under the Exchange Act for the transfer of shares of common stock, provided that (i) such plan does not provide for the transfer of common stock during the Holder Restricted Period and (ii) to the extent a public announcement or filing under the Exchange Act, if any, is required of or voluntarily made by or on behalf of the holder or the Company regarding the establishment of such plan, such announcement or filing shall include a statement to the effect that no transfer of common stock may be made under such plan during the Holder Restricted Period;

(H) transfers to the Company from an employee of or service provider of the Company upon death, disability or termination of employment, in each case, of such employee or service provider;

(I) (i) transfers to the Company in connection with the vesting, settlement, or exercise of restricted stock units, options, warrants or other rights to purchase shares of common stock (including, in each case, by way of "net" or "cashless" exercise), including for the payment of exercise price and tax and remittance payments due as a result of the vesting, settlement, or exercise of such restricted stock units, options, warrants or rights or (ii) transfers necessary (including transfers on the open market) to generate such amount of cash needed for the payment of taxes, including estimated taxes, due as a result of the vesting or settlement of restricted stock units whether by means of a "net settlement" or otherwise, and in all such cases described in subclauses (i) and (ii), provided that any such shares of common stock received upon such exercise, vesting or settlement shall be subject to the terms of the lock-up agreement, and provided further that any such restricted stock units, options, warrants or rights are held by our directors and officers and the holders of all of our outstanding stock and stock options pursuant to an agreement or are equity awards granted under a stock incentive plan or other equity award plan, with each such agreement or plan described in this prospectus;

(J) transfers to the Company in connection with the repurchase of shares of common stock issued pursuant to equity awards granted under a stock incentive plan or other equity award plan, which plan is described in this prospectus, or pursuant to the agreements pursuant to which such shares were issued, as described in this prospectus, provided that such repurchase of shares of common stock is in connection with the termination of the service-provider relationship with the Company;

(K) transfers pursuant to a bona fide third-party tender offer, merger, consolidation or other similar transaction that is approved by the board of directors of the Company and made to all holders of the Company's capital stock involving a change of control of the Company, provided that in the event that such tender offer, merger, consolidation or other similar transaction is not completed, our directors' and officers' and the holders' of our outstanding stock and stock options shall remain subject to the provisions of the lock-up agreement; and

(L) exercise of any rights to purchase, exchange or convert any stock options granted pursuant to the Company's equity incentive plans referred to in this prospectus, or any warrants or other securities convertible into or exercisable or exchangeable for shares of common stock, which warrants or other securities are described in this prospectus; provided that in the case of clauses (A), (B), (C) and (E) above no filing under Section 16(a) of the Exchange Act shall be required or shall be voluntarily made in connection with such transfer or distribution (other than a filing on Form 5); provided that in the case of clauses (D), (F), (H), (I) and (J) and (L), (i) any filing under Section 16 of the Exchange Act made during the Holder Restricted Period shall clearly indicate in the footnotes thereto that (A) the filing relates to the circumstances described in the applicable clause and (B) to the extent applicable, the underlying shares of Common Stock continue to be subject to the restrictions on transfer set forth in this lock-up agreement and (2) the undersigned does not otherwise voluntarily effect any other public filings or reports regarding such exercise during the Holder Restricted Period; provided that in the case of any transfer or distribution pursuant to clause (B), (C), (D), (E) or (F), each transferee, donee or

distributee shall sign and deliver a lock-up agreement substantially in the form of the lock-up agreement described here; provided that in the case of any conversion, reclassification exchange or exercise pursuant to clause (i), any such shares of common stock received upon such action shall remain subject to the provisions of the lock-up agreement; and provided that in the case of clauses (B), (C), (D) and (E), such transfer shall not involve a disposition for value.

Goldman Sachs & Co. LLC and Morgan Stanley & Co. LLC, in their sole discretion, may release the common stock and other securities subject to the lock-up agreements described above in whole or in part at any time.

In order to facilitate the offering of the common stock, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the common stock. Specifically, the underwriters may sell more shares than they are obligated to purchase under the underwriting agreement, creating a short position. A short sale is covered if the short position is no greater than the number of shares available for purchase by the underwriters under the option to purchase additional shares. The underwriters can close out a covered short sale by exercising the option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to close out a covered short sale, the underwriters will consider, among other things, the open market price of shares compared to the price available under the option to purchase additional shares. The underwriters may also sell shares in excess of the option to purchase additional shares, creating a naked short position. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market after pricing that could adversely affect investors who purchase in this offering. As an additional means of facilitating this offering, the underwriters may bid for, and purchase, shares of common stock in the open market to stabilize the price of the common stock. These activities may raise or maintain the market price of the common stock above independent market levels or prevent or retard a decline in the market price of the common stock. The underwriters are not required to engage in these activities and may end any of these activities at any time.

We and the underwriters have agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act.

A prospectus in electronic format may be made available on websites maintained by one or more underwriters participating in this offering. The representatives may agree to allocate a number of shares of common stock to underwriters for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters that may make Internet distributions on the same basis as other allocations.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Certain of the underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for us, for which they received or will receive customary fees and expenses.

In addition, in the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve our securities and instruments. The underwriters and their respective affiliates may also make investment recommendations or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long or short positions in such securities and instruments.

Conflicts of Interest

An affiliate of TPG Capital BD, LLC will beneficially own in excess of 10% of our issued and outstanding common stock. As a result of the foregoing relationship, TPG Capital BD, LLC, an affiliate of TPG and an underwriter in this offering, is deemed to have a "conflict of interest" under FINRA Rule 5121. Accordingly, this offering is being made in compliance with the requirements of Rule 5121. Pursuant to that rule, the appointment of a "qualified independent underwriter" is not required in connection with this offering as the member primarily responsible for managing this public offering does not have a conflict of interest, is not an affiliate of any member that has a conflict of interest and meets the requirements of paragraph (f)(12)(E) of Rule 5121. TPG Capital BD, LLC will not confirm sales of the shares of our common stock to any account over which it exercises discretionary authority without the specific written approval of the account holder.

Pricing of the Offering

Prior to this offering, there has been no public market for our common stock. The initial public offering price was determined by negotiations between us and the representatives. Among the factors considered in determining the initial public offering price were our future prospects and those of our industry in general, our sales, earnings and certain other financial and operating information in recent periods, and the price-earnings ratios, price-sales ratios, market prices of securities, and certain financial and operating information of companies engaged in activities similar to ours.

Directed Share Program

At our request, the underwriters have reserved, at the initial public offering price, up to % of the common stock offered by this prospectus for sale to certain of our directors, officers, employees, business associates and related persons. If purchased by our directors and officers, such shares of common stock will be subject to a 180-day lock-up restriction. The sales will be made through a Directed Share Program. If these persons purchase common stock it will reduce the number of shares of common stock available for sale to the general public. Any reserved shares of common stock that are not so purchased will be offered by the underwriters to the general public on the same terms as the other shares of common stock offered by this prospectus.

Selling Restrictions

European Economic Area

This prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of our shares of common stock is not a prospectus for the purposes of the Prospectus Regulation (as defined below). This prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of our shares of common stock and any offer if made subsequently is directed only at persons in any Member State of the European Economic Area (the "EEA" and each such member state, a "Member State") who are "qualified investors" within the meaning of Article 2(e) of the Prospectus Regulation. This prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of our shares of common stock has been prepared on the basis that any offer of shares of common stock in that Member State will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of shares of common stock. Accordingly any person making or intending to make an offer in that Relevant State of shares of common stock which are the subject of the offering contemplated in this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of our shares of common stock may only do so in circumstances in which no obligation arises for us or any of the underwriters to publish a prospectus pursuant to Article 3 of the Prospectus Regulation in relation to such offer. Neither us nor the underwriters have authorized, nor do they authorize, the making of any offer of shares of common stock in circumstances in which an obligation arises for us or the underwriters to publish a prospectus for such offer.

In relation to each Member State, no securities which are the subject of the offering contemplated by this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of our shares of common stock to the public may be made in that Member State other than:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the representatives; or

(c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of shares of common stock shall require us or any of our representatives to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation and each person who initially acquires any shares of common stock or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with each of the representatives and us that it is a "qualified investor" as defined in the Prospectus Regulation.

In the case of any shares of common stock being offered to a financial intermediary as that term is used in Article 5 of the Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the shares of common stock acquired by it in the offer have not been acquired on a nondiscretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any shares of common stock to the public other than their offer or resale in a Member State to qualified investors as so defined in the Prospectus Regulation or in circumstances in which the prior consent of the representatives has been obtained to each such proposed offer or resale.

For the purposes of this provision, the expression an "offer of shares to the public" in relation to any shares of common stock in any Member State means the communication in any form and by means of sufficient information on the terms of the offer and the shares of common stock to be offered so as to enable an investor to decide to purchase shares of common stock, the expression "Prospectus Regulation" means Regulation (EU) 2017/1129 (as amended).

United Kingdom

This prospectus has been prepared on the basis that any offer of our shares of common stock in the United Kingdom, or the UK, will be made pursuant to an exemption from the obligation to publish a prospectus under section 85 of the Financial Services and Markets Act 2000, or the FSMA. Accordingly, any person making or intending to make an offer in the UK may only do so in circumstances in which no obligation arises for us or any of the underwriters to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to the UK Prospectus Regulation, in each case in relation to such offer. Neither we nor any of the underwriters have authorized, nor do we or they authorize, the making of any offer of our shares of common stock in circumstances in which an obligation arises for us or any of the underwriters to publish or supplement a prospectus for such offer. Neither we nor any of the underwriters have authorized, nor do we or they authorize, the making of any offer of shares of common stock through any financial intermediary, other than offers made by the underwriters, which constitute the final placement of our shares of common stock contemplated in this prospectus. The expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 in the United Kingdom.

In relation to the UK, each underwriter has represented and agreed that it has not made and will not make an offer of our shares of common stock which are the subject of the offering contemplated by this prospectus to the public in the UK, except that it may make an offer of such shares of common stock to the public in the UK:

(a) to any legal entity which is a qualified investor as defined in the UK Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the UK Prospectus Regulation), subject to obtaining the prior consent of the representatives; or

(c) in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of shares of common stock shall require us or any underwriters to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an offer of shares of common stock to the public in relation to any shares of common stock means the communication in any form and by any means of sufficient information on the terms of the offer and the shares of common stock to be offered so as to enable an investor to decide to purchase or subscribe for the shares of common stock.

Each underwriter has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 ("FSMA") received by it in connection with the issue or sale of the shares of common stock of our shares of common stock in circumstances in which Section 21(1) of the FSMA does not apply to us; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the shares of common stock of our shares of common stock in, from or otherwise involving the United Kingdom.

Canada

The shares of common stock may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the shares of common stock must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Switzerland

The shares of common stock may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("FinSA") and no application has or will be made to admit the shares of common stock to trading on any trading venue (exchange or multilateral trading facility) in Switzerland.

Neither this document nor any other offering or marketing material relating to the shares of common stock constitutes a prospectus pursuant to the FinSA, and neither this document nor any other offering or marketing material relating to the shares of common stock may be publicly distributed or otherwise made publicly available in Switzerland.

Hong Kong

The shares of common stock have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), or SFO, of Hong Kong and any rules made thereunder; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong), or CO, or which do not constitute an offer to the public within the meaning of the CO. No advertisement, invitation or document relating to the shares of common stock has been or may be issued or has been or may be in the possession of any person for the purposes of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares of common stock which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made thereunder.

Japan

The shares of common stock have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) and, accordingly, will not be offered or sold, directly or indirectly, in Japan, or for the benefit of any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person, except in compliance with all applicable laws, regulations and ministerial guidelines promulgated by relevant Japanese governmental or regulatory authorities in effect at the relevant time. For the purposes of this paragraph, "Japanese Person" shall mean any person resident in Japan, including any corporation or other entity organized under the laws of Japan.

Singapore

Each underwriter has acknowledged that this prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each underwriter has represented and agreed that it has not offered or sold any shares of common stock or caused the shares of common stock to be made the subject of an invitation for subscription or purchase and will not offer or sell any shares of common stock or cause the shares of common stock to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares of common stock, whether directly or indirectly, to any person in Singapore other than:

(a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time, or the SFA) pursuant to Section 274 of the SFA;

(b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA; or

(c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the shares of common stock are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities or

securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the shares of common stock pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Singapore SFA Product Classification—In connection with Section 309B of the SFA and the CMP Regulations 2018, unless otherwise specified before an offer of shares of common stock, we have determined, and hereby notify all relevant persons (as defined in Section 309A(1) of the SFA), that the shares of common stock are "prescribed capital markets products" (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS NoticeFAA-N16: Notice on Recommendations on Investment Products).

Australia

This prospectus:

(a) does not constitute a disclosure document or a prospectus under Chapter 6D.2 of the Corporations Act 2001 (Cth) (the "Corporations Act");

(b) has not been, and will not be, lodged with the Australian Securities and Investments Commission ("ASIC"), as a disclosure document for the purposes of the Corporations Act and does not purport to include the information required of a disclosure document for the purposes of the Corporations Act; and

(c) may only be provided in Australia to select investors who are able to demonstrate that they fall within one or more of the categories of investors, available under section 708 of the Corporations Act ("Exempt Investors").

The shares of common stock may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for or buy the shares of common stock may be issued, and no draft or definitive offering memorandum, advertisement or other offering material relating to any shares of common stock may be distributed in Australia, except where disclosure to investors is not required under Chapter 6D of the Corporations Act or is otherwise in compliance with all applicable Australian laws and regulations. By submitting an application for the shares of common stock, you represent and warrant to us that you are an Exempt Investor.

As any offer of shares of common stock under this document will be made without disclosure in Australia under Chapter 6D.2 of the Corporations Act, the offer of those securities for resale in Australia within 12 months may, under section 707 of the Corporations Act, require disclosure to investors under Chapter 6D.2 if none of the exemptions in section 708 applies to that resale. By applying for the shares of common stock you undertake to us that you will not, for a period of 12 months from the date of issue of the shares of common stock, offer, transfer, assign or otherwise alienate those shares of common stock to investors in Australia except in circumstances where disclosure to investors is not required under Chapter 6D.2 of the Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

Dubai International Financial Centre

This prospectus relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority ("DFSA"). This prospectus is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus nor taken steps to verify the information set forth herein and has no responsibility for the prospectus. The shares to which this prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the shares offered should conduct their own due diligence on the shares. If you do not understand the contents of this prospectus you should consult an authorized financial advisor.

LEGAL MATTERS

The validity of the shares of common stock offered hereby will be passed upon for us by Latham & Watkins LLP, New York, New York. The underwriters are being represented by Davis Polk & Wardwell LLP, New York, New York in connection with this offering.

EXPERTS

The financial statements as of December 31, 2019 and 2020, and for each of the three years in the period ended December 31, 2020, included in this prospectus, have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report appearing herein (which report expresses an unqualified opinion on the financial statements and includes an explanatory paragraph referring to the adoption of ASC 842, Leases). Such financial statements are included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to the common stock offered by this prospectus. This prospectus is a part of the Registration Statement and does not contain all of the information set forth in the Registration Statement and its exhibits and schedules, portions of which have been omitted as permitted by the rules and regulations of the SEC. For further information about us and our common stock, you should refer to the Registration Statement and its exhibits and schedules.

We will file annual, quarterly and special reports and other information with the SEC. Our filings with the SEC will be available to the public on the SEC's website at http://www.sec.gov. Those filings will also be available to the public on, or accessible through, our website under the heading "Investor Relations" at www.lifetime.life. The information we file with the SEC or contained on or accessible through our corporate website or any other website that we may maintain is not part of this prospectus or the Registration Statement of which this prospectus is a part.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of Life Time Group Holdings, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Life Time Group Holdings, Inc. (formerly known as LTF Holdings, Inc.) and subsidiaries (the "Company") as of December 31, 2020 and 2019, the related consolidated statements of operations, comprehensive income (loss), stockholders' equity, and cash flows, for each of the three years in the period ended December 31, 2020, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2020, in conformity with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Notes 2 and 9 to the financial statements, the Company adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-02, Leases (Topic 842), using the modified retrospective approach.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Goodwill – Centers Reporting Unit– Refer to Notes 2 and 5 to the Financial Statements

Critical Audit Matter Description

The Company tests goodwill for impairment annually and more often if circumstances change that would indicate the carrying amount may be impaired. The Company's evaluation of goodwill for impairment involves the comparison of the estimated fair value of the reporting unit to its net book value. The Company uses the discounted cash flow model to estimate fair value, which requires management to make estimates and assumptions related to forecasts of future revenues and earnings before interest, taxes, depreciation and amortization (EBITDA) margins, as well as the selection of the long-term growth rate and discount rate. The governmental-imposed restrictions and impact to customer behavior as a result of the COVID-19 pandemic has resulted in a decrease in revenue and has increased uncertainty regarding the financial projections utilized in the estimated fair value of the reporting unit. Changes in the assumptions can have a significant impact on both the fair value of the reporting unit and the amount of any impairment charge, if any.

The goodwill balance was $1,233 million as of December 31, 2020 of which $1,231 million was allocated to the Centers reporting unit. The fair value of the Centers reporting unit exceeded its carrying value as of the measurement date and, therefore no impairment was recognized.

Given the judgments made by management to estimate the fair value of the Centers reporting unit, performing audit procedures to evaluate the reasonableness of management's estimates and assumptions related to the forecasts of future revenues and EBITDA margins and selection of the long-term growth rate and discount rate, especially due to the uncertainty of future cash flows impacted by the timing of recovery from the COVID-19 pandemic, required a high degree of auditor judgement and an increased extent of effort, including the need to involve our fair value specialists.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the forecasts of future revenues and EBITDA margins and selection of the long-term growth rate and discount rate used by management to estimate the fair value of the Centers reporting unit included the following, among others:

- We evaluated management's ability to accurately forecast future revenues and EBITDA margins by comparing actual results to management's historical forecasts.
- We evaluated the reasonableness of management's forecast of future revenues and EBITDA margins by comparing the forecasts to:
  - Historical revenues and EBITDA margins
  - Strategic plans communicated by management and the Board of Directors
  - Forecasted information included in industry reports for the Company.
- Given the inherent uncertainty related to the timing of economic recovery and the resulting adverse impacts associated with the COVID-19 outbreak on the reporting unit, we evaluated the reasonableness of management's assumptions related to the severity of business disruption associated with the COVID-19 outbreak on the reporting unit and timing of economic recovery by:
  - Comparing management's analysis of the expected business disruption from the COVID-19 outbreak on the reporting unit to the business impacts observed since the outbreak began.
  - Comparing management's analysis of the timing of economic recovery to industry forecasts to evaluate for potential contradictory evidence.
  - Evaluating the impact of various alternative scenarios on the discounted cash flow model and resulting fair value.

- With the assistance of our fair value specialists, we evaluated the reasonableness of the valuation methodology, and the long-term growth rate and the discount rate selected by:
  - Testing the underlying source information and mathematical accuracy of calculations.
  - Comparing proxies of long-term growth rates for the relevant economy and industry to the long-term growth rate selected by management.
  - Developing a range of independent estimates for the discount rate and comparing those to the rate selected by management.

/s/ Deloitte & Touche LLP

Minneapolis, MN
June 28, 2021

We have served as the Company's auditor since 2002.

LIFE TIME GROUP HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands, except per share data)

	December 31, 2019	December 31, 2020
ASSETS		
Current assets:		
Cash and cash equivalents	$ 47,951	$ 33,195
Accounts receivable, net	17,250	4,805
Center operating supplies and inventories	44,306	36,276
Prepaid expenses and other current assets	92,316	87,231
Income tax receivable	8,960	4,192
Total current assets	210,783	165,699
Property and equipment, net	3,061,873	2,692,712
Goodwill	1,233,176	1,233,176
Operating lease right-of-use assets	1,444,399	1,708,597
Intangible assets, net	168,243	164,419
Other assets	57,673	52,955
Total assets	$ 6,176,147	$ 6,017,558
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 53,952	$ 54,104
Construction accounts payable	96,716	39,936
Deferred revenue	44,786	42,274
Accrued expenses and other current liabilities	138,609	117,675
Current maturities of debt	36,225	139,266
Current maturities of operating lease liabilities	21,301	49,877
Total current liabilities	391,589	443,132
Long-term debt, net of current portion	2,223,735	2,133,330
Operating lease liabilities, net of current portion	1,493,043	1,738,393
Deferred income taxes	295,005	195,122
Other liabilities	22,592	26,168
Total liabilities	4,425,964	4,536,145
Commitments and contingencies (Note 11)		
Stockholders' equity:		
Common stock, $0.01 par value per share, 170,000 shares authorized; 141,596 and 145,196 shares issued and outstanding, respectively	1,416	1,452
Additional paid-in capital	1,479,941	1,569,905
Stockholder note receivable	(15,000)	(15,000)
Retained earnings/(deficit)	288,478	(71,714)
Accumulated other comprehensive loss	(4,652)	(3,230)
Total stockholders' equity	1,750,183	1,481,413
Total liabilities and stockholders' equity	$ 6,176,147	$ 6,017,558

See notes to consolidated financial statements.

LIFE TIME GROUP HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)

	For the Year Ended December 31,		
	2018	2019	2020
Revenue:			
Center revenue	$ 1,701,600	$ 1,851,345	$ 929,966
Other revenue	47,693	49,026	18,413
Total revenue	1,749,293	1,900,371	948,379
Operating expenses:			
Center operations	950,585	1,041,133	660,046
Rent	124,895	165,965	186,257
General, administrative and marketing	196,693	227,684	149,898
Depreciation and amortization	211,451	220,468	247,693
Other operating	69,195	76,842	63,634
Total operating expenses	1,552,819	1,732,092	1,307,528
Income (loss) from operations	196,474	168,279	(359,149)
Other (expense) income:			
Interest expense, net of interest income	(136,176)	(128,955)	(128,394)
Equity in earnings (loss) of affiliate	814	805	(187)
Total other expense	(135,362)	(128,150)	(128,581)
Income (loss) before income taxes	61,112	40,129	(487,730)
Provision for (benefit from) income taxes	20,170	10,080	(127,538)
Net income (loss)	40,942	30,049	(360,192)
Less: Net income attributable to noncontrolling interest	54	24	—
Net income (loss) attributable to Life Time Group Holdings, Inc.	$ 40,888	$ 30,025	$ (360,192)
Earnings (loss) per common share – basic and diluted	$ 0.30	$ 0.22	$ (2.48)
Weighted-average common shares outstanding – basic and diluted	137,250	139,405	145,137

See notes to consolidated financial statements.

LIFE TIME GROUP HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In thousands)

	For the Year Ended December 31,		
	2018	2019	2020
Net income (loss)	$40,942	$30,049	$ (360,192)
Foreign currency translation adjustments, net of tax of $0	(9,276)	4,794	1,422
Comprehensive income (loss)	31,666	34,843	(358,770)
Less: Comprehensive income attributable to noncontrolling interest	54	24	—
Comprehensive income (loss) attributable to Life Time Group Holdings, Inc.	$31,612	$34,819	$ (358,770)

See notes to consolidated financial statements.

LIFE TIME GROUP HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In thousands)

	Common Stock							
	Shares	Amount	Additional Paid-in Capital	Stockholder Note Receivable	Retained Earnings/ (Deficit)	Accumulated Other Comprehensive Loss	Noncontrolling Interest	Total Equity
Balance at December 31, 2017	137,250	$ 1,373	$1,376,780	$ —	$ 202,652	$ (170)	$ —	$1,580,635
Adoption of ASC 606	—	—	—	—	6,977	—	—	6,977
Net income	—	—	—	—	40,888	—	54	40,942
Other comprehensive loss	—	—	—	—	—	(9,276)	—	(9,276)
Share-based compensation	—	—	100	—	—	—	—	100
Stockholder note receivable	—	—	—	(20,000)	—	—	—	(20,000)
Noncontrolling interest related to a business combination	—	—	—	—	—	—	500	500
Balance at December 31, 2018	137,250	1,373	1,376,880	(20,000)	250,517	(9,446)	554	1,599,878
Adoption of ASC 842	—	—	—	—	7,936	—	—	7,936
Net income	—	—	—	—	30,025	—	24	30,049
Other comprehensive income	—	—	—	—	—	4,794	—	4,794
Share-based compensation	—	—	24,152	—	—	—	—	24,152
Partial forgiveness of stockholder note receivable	—	—	(3,737)	5,000	—	—	—	1,263
Common stock issuance, net	4,346	43	105,223	—	—	—	—	105,266
Purchases of stock options	—	—	(23,155)	—	—	—	—	(23,155)
Acquisition of noncontrolling interest	—	—	578	—	—	—	(578)	—
Balance at December 31, 2019	141,596	1,416	1,479,941	(15,000)	288,478	(4,652)	—	1,750,183
Net loss	—	—	—	—	(360,192)	—	—	(360,192)
Other comprehensive income	—	—	—	—	—	1,422	—	1,422
Common stock issuance	3,600	36	89,964	—	—	—	—	90,000
Balance at December 31, 2020	145,196	$ 1,452	$1,569,905	$ (15,000)	$ (71,714)	$ (3,230)	$ —	$1,481,413

See notes to consolidated financial statements.

LIFE TIME GROUP HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	For the Year Ended December 31,		
	2018	2019	2020
Cash flows from operating activities:			
Net income (loss)	$ 40,942	$ 30,049	$ (360,192)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	211,451	220,468	247,693
Deferred income taxes	21,293	3,436	(99,910)
Non-cash rent expense	12,980	22,521	37,105
Impairment charges associated with long-lived assets	3,075	7,218	37,754
Loss (gain) on disposal of property and equipment, net	1,321	(653)	(7,130)
Amortization of debt issuance costs	11,733	11,796	12,033
Share-based compensation	100	24,152	—
Changes in operating assets and liabilities	32,121	36,559	37,517
Other	1,177	3,172	(851)
Net cash provided by (used in) operating activities	336,193	358,718	(95,981)
Cash flows from investing activities:			
Capital expenditures	(604,826)	(624,017)	(265,617)
Acquisitions, net of cash acquired	(6,850)	(50,631)	(100)
Proceeds from sale-leaseback transactions	—	194,838	235,660
Proceeds from the sale of land held for sale	—	—	22,971
Other	(2,167)	1,996	971
Net cash used in investing activities	(613,843)	(477,814)	(6,115)
Cash flows from financing activities:			
Proceeds from borrowings	200,000	—	116,583
Repayments of debt	(34,554)	(35,174)	(36,385)
Proceeds from senior secured credit facility	301,000	411,000	573,902
Repayments on senior secured credit facility	(232,000)	(323,000)	(654,902)
Repayments of finance lease liabilities	(1,277)	(1,621)	(1,343)
Proceeds from the issuance of common stock, net	—	105,266	90,000
Purchases of stock options	—	(23,155)	—
Increase in debt issuance costs	(1,300)	—	(460)
Advances to stockholder	(20,000)	—	—
Proceeds from financing obligations	61,256	—	—
Repayments of financing obligations	(3,436)	—	—
Net cash provided by financing activities	269,689	133,316	87,395
Effect of exchange rate on cash and cash equivalents	(217)	208	(55)
(Decrease) increase in cash and cash equivalents	(8,178)	14,428	(14,756)
Cash and cash equivalents – beginning of period	41,701	33,523	47,951
Cash and cash equivalents – end of period	$ 33,523	$ 47,951	$ 33,195

See notes to consolidated financial statements.

LIFE TIME GROUP HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Table amounts in thousands except per share data)

1. Nature of Business and Basis of Presentation

Nature of Business

Life Time Group Holdings, Inc. (collectively with its direct and indirect subsidiaries, "Life Time," "We," "Our," or "the Company") is a holding company incorporated in the state of Delaware. Life Time Group Holdings, Inc. changed its name from LTF Holdings, Inc. effective on June 21, 2021. We are primarily engaged in designing, building, and operating distinctive and large, multi-use sports and athletic, professional fitness, family recreation and spa centers in a resort-like environment, principally in residential locations of major metropolitan areas in the United States and Canada. As of December 31, 2020, we operated 149 centers in 29 states and one Canadian province.

COVID-19 Impact

On March 11, 2020, the World Health Organization declared the outbreak of a novel coronavirus("COVID-19") as a pandemic and recommended containment and mitigation measures worldwide. On March 13, 2020, the United States declared a National Public Health Emergency with respect to COVID-19. On March 16, 2020, we closed all of our centers based on orders and advisories from federal, state and local governmental authorities regarding COVID-19, during which time we did not collect monthly access membership dues or recurring product charges from our members. We re-opened our first center on May 8, 2020 and continued tore-open our centers as state and local governmental authorities permitted.

The consolidated financial statements include the impact of the initial closure of all of our centers, and the subsequent reopening of our centers, during the period from March 17, 2020 through December 31, 2020.

We are currently collecting monthly access membership dues and recurring product charges from active members associated with our opened centers. How long our currently closed centers will remain closed, as well as whether we will need to close any of our other centers and the duration of any such future center closures that may occur, remains uncertain and is dependent on future developments that cannot be accurately predicted at this time.

In response to the continued impact ofCOVID-19 on our business operations, we have taken significant actions to strengthen our cash position, reduce our operating costs and preserve liquidity.

These actions included: initially furloughing over 95% of our employees; undertaking two corporate restructuring events to right size overhead relative to the current business; initially suspending virtually all construction capital spending; negotiating rent reductions and deferrals with many of our landlords; evaluating the CARES Act and taking advantage of the employee retention credit, the deferment of the employer's portion of social security tax payments and the various income tax-related benefits; and completing sale-leaseback transactions associated with six properties. For more information regarding the accounting policy election we chose with respect to the COVID-19-related rent payment deferrals we negotiated with many of our landlords, see Note 2, Summary of Significant Accounting Policies.

2. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements include the accounts of Life Time Group Holdings, Inc. and our wholly owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

In 1999, we, together with two unrelated organizations, formed an Illinois limited liability company named Bloomingdale LIFE TIME Fitness L.L.C. ("Bloomingdale LLC") for the purpose of constructing and operating a center in Bloomingdale, Illinois. We account for our interest in Bloomingdale LLC using the equity method.

LIFE TIME GROUP HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Table amounts in thousands except per share data)

Effective March 30, 2018, we acquired a 50.01% voting equity interest in Massage Retreat & Spa, Inc. ("MR&S"). Our consolidated financial statements include the operations of MR&S beginning after March 30, 2018. Effective April 30, 2019, we acquired the remaining 49.99% voting equity interest in MR&S from our Founder, Chairman and Chief Executive Officer ("CEO"). During the fourth quarter of 2019, we made the decision to close the business operations of MR&S.

Segment Reporting

Operating segments are defined as components of an entity for which separate financial information is available and that is regularly reviewed by the Chief Operating Decision Maker ("CODM") in deciding how to allocate resources to an individual segment and in assessing performance. The Company's CODM is our CEO. Our CODM assesses financial performance and allocates resources based on the consolidated financial results at the total entity level. Accordingly, we have determined that we have one operating segment and one reportable segment.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States ("GAAP") requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. In recording transactions and balances resulting from business operations, we use estimates based on the best information available. We revise the recorded estimates when better information is available, facts change or we can determine actual amounts. These revisions can affect our consolidated operating results.

Recently Adopted Accounting Pronouncements

Revenue Recognition

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No.2014-09, "Revenue from Contracts with Customers," as a new topic, Accounting Standards Codification ("ASC") 606 ("ASC 606"). The new guidance establishes a single comprehensive model for entities to use in accounting for revenue and supersedes most revenue recognition guidance. It introduces a five-step process for revenue recognition that focuses on transfer of control, as opposed to transfer of risk and rewards under previous guidance. Effective January 1, 2018, we adopted ASC 606 using the modified retrospective method, which we applied to contracts not completed at the date of adoption. The impact was a change to the timing of recognition of revenue and related commission expense associated with the portion of prepaid personal training sessions that we estimate will not be redeemed ("breakage"). We did not make any adjustments to prior period financial statements. Upon our adoption of ASC 606, we recognized a $7.0 million cumulative-effect adjustment to retained earnings. The adoption of ASC 606 did not materially impact our consolidated net earnings and financial position and had no impact on our consolidated cash flows.

Leases

In February 2016, the FASB issued ASU2016-02, "Leases," as a new topic, ASC 842 ("ASC 842"). The new guidance supersedes previous lease accounting guidance and requires the recognition of right-of-use assets and lease liabilities for all leases with lease terms greater than one year. Effective January 1, 2019, we adopted ASC 842 using the "Comparatives Under 840 Option" approach to transition. Under this method, financial information related to periods prior to adoption are reported under the previous standard - ASC 840, "Leases." The effects of adopting ASC 842 were recognized as a cumulative-effect adjustment to retained earnings as of January 1, 2019. We elected the package of practical expedients in transition for leases that commenced prior to January 1, 2019, including not needing to reassess whether existing contracts are (or contain) leases, whether the lease

classification for existing leases would differ under ASC 842 or whether initial direct costs associated with any expired or existing leases qualify for capitalization under ASC 842. We did not elect the hindsight practical expedient in determining the lease term for existing leases as of January 1, 2019. The adoption of ASC 842 did not materially impact our consolidated net earnings and had no impact on our consolidated cash flows. Upon our adoption of ASC 842, we elected the short-term lease recognition exemption, whereby leases with an initial term of 12 months or less are not recognized on our consolidated balance sheet. In addition, for all lease agreements entered into or reassessed after January 1, 2019, we have elected not to separate (and allocate consideration to) lease and non-lease components. Instead, we have chosen to combine lease and non-lease components and account for them as a single lease component.

In April 2020, the FASB staff issued a question and answer document (the "Lease Modification Q&A") that focused on the application of lease accounting guidance to lease concessions provided as a result of the COVID-19 pandemic. Under ASC 842, economic relief that is agreed to or negotiated outside of the original lease agreement is typically considered a lease modification, in which case both the lessee and lessor are required to apply the respective lease modification framework, in order to determine how to account for the relief. However, if the lessee is entitled to the economic relief because of either contractual or legal rights that explicitly exist within the original lease agreement, the relief is to be accounted for outside of the lease modification framework. The Lease Modification Q&A established a different framework to account for certain lease concessions granted in response to the COVID-19 pandemic. For lease concessions related to the effects of the COVID-19 pandemic that result in the total payments required by the modified contract being substantially the same as or less than the total payments required by the original contract, the Lease Modification Q&A allows an entity to make an accounting policy election to account for these lease concessions consistent with how those concessions would be accounted for under ASC 842 as though enforceable rights and obligations for those concessions exist within the original lease agreement (regardless of whether those enforceable rights and obligations for the concessions explicitly exist within the original lease agreement). Such accounting policy election is required to be applied consistently to leases with similar characteristics and similar circumstances.

Beginning in the second quarter of 2020, due to the disruption caused by the COVID-19 pandemic, we began negotiating lease concessions with many of our landlords. The concessions we were able to obtain from these landlords primarily consisted of full or partial rent payment deferrals, with scheduled repayments due at various dates through December 2021. Although these rent deferrals affect the timing of lease payments, the total amount of consideration we are required to pay under the terms of each of the renegotiated lease agreements is substantially the same as that required under the applicable original lease agreement. Consistent with the guidance provided in the Lease Modification Q&A, we made an accounting policy election to account for each of these lease concessions as if no changes had been made to the original lease agreement. Accordingly, as it relates to each of these leases, we continued to recognize rent expense each month during the deferral period in an amount equal to that which was recognized in accordance with the original lease agreement. At December 31, 2020, total unpaid deferred rent associated with these lease concessions was approximately $9.5 million, which is included in Current maturities of operating lease liabilities on our consolidated balance sheet.

For more information regarding leases, see "—Leases" within this footnote as well as Note 9, Leases.

Financial Instruments

In June 2016, the FASB issued ASU 2016-13, "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments." ASU 2016-13 will replace today's "incurred loss" approach with an "expected loss" model for instruments measured at amortized cost. The guidance requires companies to record an allowance for expected credit losses over the contractual term of certain financial assets, including trade receivables and contract assets. We adopted ASU 2016-13 during the first quarter of 2020. The adoption of this guidance did not materially impact our consolidated net earnings and financial position and had no impact on our consolidated cash flows.

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Revenue Recognition

Revenue is recognized when control of the promised goods or services is transferred to our customers, in an amount that reflects the transaction price consideration that we expect to receive in exchange for those goods or services. We defer the revenue associated with any unsatisfied performance obligation until the obligation is satisfied (i.e., when control of the product is transferred to the customer or a service has been completed).

Center Revenue

Center revenue consists of center membership and digital membership dues, enrollment fees and revenue generated within a center, which we refer to as in-center revenue. In-center revenue includes fees for personal training, aquatics, and kids programming, as well as sales of products at our cafés, and sales of products and services offered at our spas and tennis programs.

Revenue from product sales is generally recognized at the point of sale to the customer; however, revenue from our various service offerings received in advance of service delivery is deferred and subsequently recognized when the services are provided. Personal training revenue received in advance of training sessions, as well as the related sales commissions, are initially deferred and subsequently recognized when the sessions are delivered. Upon recognition, sales commissions associated with personal training sessions are included in Center operations in our consolidated statements of operations. Throughout the estimated redemption period associated with prepaid sessions, we also recognize personal training breakage revenue and the related commissions, using a method that is proportionate to the pattern of redemptions. We estimate breakage based on historical redemption patterns.

Generally, we receive a one-time enrollment fee at the time a member joins. The enrollment fees are nonrefundable after seven days. Enrollment fees and related direct expenses, primarily sales commissions, are deferred and recognized on a straight-line basis over an estimated average membership life, which is based on historical membership experience. Upon recognition, sales commissions associated with member enrollments are included in Centers operations in our consolidated statements of operations. If the direct expenses related to the enrollment fees exceed the enrollment fees for any center in a month, the amount of direct expenses in excess of the enrollment fees are expensed in the current period instead of deferred over the estimated average membership life.

Other Revenue

Other revenue includes revenue generated outside of our centers, which are primarily media, athletic events and related services. Our media revenue includes our magazine, Experience Life®, and the related advertising revenue is recognized over the duration of the advertising placement. Our athletic events revenue includes endurance activities such as running, cycling and triathlons, and our related services revenue includes revenue from our race registration and timing businesses. Athletic event revenue and race registration revenue is recognized upon the completion of the event. Other revenue also includes revenue generated from our newly established digital memberships and our Life Time Work locations.

For more information regarding revenue, see Note 6, Revenue.

Cash and Cash Equivalents

We classify all unrestricted cash accounts and highly liquid debt instruments purchased with original maturities of three months or less as cash and cash equivalents.

Accounts Receivable

Accounts receivable is presented net of allowance for doubtful accounts. The allowance for doubtful accounts was $1.4 million and $0.9 million at December 31, 2019 and 2020, respectively.

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Inventories

Inventories are stated at the lower of cost or net realizable value and are removed from the balance on a first-in-first-out basis. The reserve for obsolescence was approximately $1.2 million and $1.1 million at December 31, 2019 and 2020, respectively.

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consisted of the following:

	December 31,	
	2019	2020
Property held for sale	$ 26,700	$ 49,686
Construction contract receivables	32,149	12,398
Deferred membership origination costs	12,091	7,212
Prepaid expenses	21,376	17,935
Prepaid expenses and other current assets	$ 92,316	$ 87,231

Property held for sale at December 31, 2019 and 2020 includes excess land purchased as part of our original center site acquisitions. Property held for sale at December 31, 2020 also includes the carrying value of a property that is associated with a sale-leaseback agreement that we entered into on December 16, 2020. This sale-leaseback transaction closed in March 2021. All land held for sale is currently being marketed for sale. If property held for sale is currently under contract for sale, the cost is reflected as a current asset and is included in Prepaid expenses and other current assets on our consolidated balance sheet. Property held for sale is stated at the lower of cost or fair value less estimated costs to sell. Property is not depreciated during the period in which it is classified as held for sale.

For more information regarding the sale-leaseback agreement that we entered into on December 16, 2020, see Note 9, Leases.

Property and Equipment

Property, equipment and leasehold improvements are recorded at cost. Improvements are capitalized while repair and maintenance costs are charged to operations when incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized using the straight-line method over the shorter of the lease term or the estimated useful life of the improvement. Accelerated depreciation methods are used for tax reporting purposes.

Site development capitalization commences when acquisition of a particular property is deemed probable by management. Should a specific project be subsequently deemed not viable for construction, any capitalized costs related to that project are charged to operations at the time of that determination. Upon completion of a project,
the site development costs are classified as property and depreciated over the useful life of the asset. We capitalize interest during the construction period of our centers and this capitalized interest is included in the cost of the building.

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Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following:

	December 31,	
	2019	2020
Real estate taxes	$ 29,588	$ 31,015
Accrued interest	8,327	15,010
Payroll liabilities	36,427	17,136
Utilities	6,468	5,379
Self-insurance accruals	16,595	22,444
Corporate accruals	38,776	24,123
Current maturities of finance lease liabilities	1,439	1,171
Other	989	1,397
Accrued expenses and other current liabilities	$ 138,609	$ 117,675

Acquisitions

We account for business acquisitions in accordance with ASC 805, "Business Combinations" ("ASC 805"). ASC 805 requires the acquiring entity in a business combination to recognize all the assets acquired and liabilities assumed in the transaction and establishes the acquisition-date fair value as the measurement objective for all assets acquired and liabilities assumed in a business combination. Certain provisions of this standard prescribe, among other things, the determination of acquisition-date fair value of consideration paid in a business combination (including contingent consideration) and the exclusion of transaction and acquisition-related restructuring costs from acquisition accounting.

During the year ended December 31, 2019, we acquired a health club business, a commercial plumbing and mechanical contracting business and a cycling event. The aggregate purchase price associated with the acquisition of these businesses and cycling event was $34.7 million, of which $30.0 million was allocated to property and equipment and the remaining $4.7 million was allocated to goodwill. At December 31, 2020, approximately $0.2 million of the $34.7 million total purchase price had yet to be paid. Of the $34.5 million that has been paid, $34.4 million and $0.1 million was paid during the years ended December 31, 2019 and 2020, respectively. There were no business acquisitions during the year ended December 31, 2020.

Impairment of Long-lived Assets

We test long-lived asset groups for impairment when events or circumstances indicate that the net book value of the asset group may not be recoverable. We consider a history of consistent and significant operating losses, or the inability to recover net book value over the remaining useful life, to be our primary indicators of potential impairment. Assets are grouped and evaluated for impairment at the lowest level for which there are identifiable cash flows, which is generally at an individual center or ancillary business level. The determination of whether impairment has occurred is based on an estimate of undiscounted future cash flows directly related to that center or ancillary business, compared to the carrying value of these assets. If an impairment has occurred, the amount of impairment recognized is determined by estimating the fair value of these assets and recording a loss if the carrying value is greater than the fair value.

During the year ended December 31, 2018, we determined that certain of the fixed assets associated with some of our leased centers and an ancillary business were impaired. Accordingly, we recognized $3.1 million of impairment charges associated with these long-lived assets during the year ended December 31, 2018.

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During the year ended December 31, 2019, we determined that the operating lease right-of-use assets and fixed assets associated with the business operations of MR&S were impaired. Additionally, we determined that certain projects were no longer deemed viable for construction, and that the previously-capitalized site development costs associated with these projects were impaired. Accordingly, we recognized $3.9 million of impairment charges associated with these long-lived assets during the year ended December 31, 2019, which are included in Other operating in our consolidated statement of operations for the year ended December 31, 2019.

The temporary closure of our centers due to COVID-19, as well as the continued uncertainty of the extent of the impact of COVID-19 on our business, is an impairment trigger. As a result of the impact of COVID-19 on our business, we determined that certain projects were no longer deemed viable for construction, and that the previously-capitalized site development costs associated with these projects were impaired. Additionally, we determined that the operating lease right-of-use assets and certain of the fixed assets associated with some of our leased centers and some of our ancillary businesses were also impaired. Accordingly, we recognized $37.8 million of impairment charges associated with these long-lived assets during the year ended December 31, 2020, which are included in Other operating in our consolidated statement of operations for the year ended December 31, 2020.

Goodwill

We test goodwill for impairment on an annual basis, or more often if circumstances warrant, by estimating the fair value of the reporting unit to which the goodwill relates and comparing this fair value to the net book value of the reporting unit. Our policy is to test goodwill for impairment on October 1 of each year. If fair value of a reporting unit is less than its carrying value, we reduce the carrying value accordingly and record a corresponding impairment loss. We have two reporting units: Centers and Corporate Businesses. At both December 31, 2019 and 2020, out of the total goodwill balance of $1,233.2 million recognized on our consolidated balance sheets, $1,230.9 million has been allocated to our Centers reporting unit and $2.3 million has been allocated to our Corporate Businesses reporting unit. At December 31, 2020, the estimated fair value of our Centers reporting unit is substantially in excess of its carrying value. During the year ended December 31, 2019, we determined that the goodwill associated with the business operations of MR&S was impaired. Accordingly, we recognized a $3.3 million goodwill impairment charge during the year ended December 31, 2019, which is included in Other operating in our consolidated statement of income for the year ended December 31, 2019. Based upon our review and analysis, no goodwill impairments were deemed to have occurred during the year ended December 31, 2020. For more information on goodwill, see Note 5, Goodwill and Intangibles.

Leases

We lease some of our centers, offices and other facilities, as well as some office and other equipment. Excluding renewal options that are not reasonably certain to be exercised, our leases have remaining contractual terms that primarily range from less than one year to 29 years. Most of the leases contain renewal options and escalation clauses, and certain of them include contingent rental payments, determined based on a percentage of center-specific revenue and/or other center-specific financial metrics over contractually specified levels. Our property leases require payment of real estate taxes, insurance and common area maintenance, in addition to rent. Our lease agreements do not contain any material residual value guarantees.

Lease Cost

Lease cost associated with operating leases and short-term leases is recognized on a straight-line basis from the date we take possession of the property through the end of the lease term. Finance lease right-of-use assets are amortized on a straight-line basis over the shorter of the estimated useful life of the underlying assets or the lease term. Interest associated with finance lease liabilities is recognized using the effective interest rate method.

Variable lease payments not recognized in the measurement of operating and finance lease liabilities are expensed as incurred. For more information regarding lease cost included in our consolidated statements of operations for the years ended December 31, 2019 and 2020, see Note 9, Leases.

Operating Lease Right-of-Use Assets and Liabilities

Upon our adoption of ASC 842 effective on January 1, 2019, we recognized operating lease right-of-use assets and liabilities of $1,235.1 million and $1,300.5 million, respectively, on our consolidated balance sheet. The measurement of each operating lease liability we recognized upon our adoption of ASC 842 represents the present value of the remaining minimum lease payments over the remaining lease term, discounted using an appropriate incremental borrowing rate, determined as of the ASC 842 adoption date. The measurement of each operating lease liability associated with leases commencing during the years ended December 31, 2019 and 2020 represents the present value of the full amount of the remaining lease payments over the remaining lease term, discounted using an appropriate incremental borrowing rate, determined as of the lease commencement date.

The measurement of each operating lease right-of-use asset we recognized upon our adoption of ASC 842 represents the related operating lease liability measurement increased by, as applicable, prepaid rent and favorable lease asset balances and decreased by, as applicable, unfavorable lease liability and deferred rent balances, as well as tenant allowances previously received or due from landlords. In addition, certain operating lease right-of-use assets were reduced by pre-tax impairment charges, which were recognized as a cumulative effect adjustment to beginning retained earnings. The measurement of each operating lease right-of-use asset associated with leases that commenced during the years ended December 31, 2019 and 2020 represents the related operating lease liability measurement increased by, as applicable, prepaid rent and decreased by, as applicable, lease incentives.

For more information regarding the operating lease right-of-use assets and liabilities that are recognized on our December 31, 2019 and 2020 consolidated balance sheets, see Note 9, Leases.

Finance Lease Right-of-Use Assets and Liabilities

The measurement of each finance lease right-of-use asset we recognized upon our adoption of ASC 842 represents the aggregate of the carrying value of the related capital lease asset that we recognized under previous lease accounting rules and, if applicable, the carrying value of the related favorable lease asset balance we had previously recognized. The measurement of each finance lease liability we recognized upon our adoption of ASC 842 represents the carrying value of the related capital lease obligation we recognized under previous lease accounting rules. The measurement of each finance lease right-of-use asset and liability associated with leases that commenced during the years ended December 31, 2019 and 2020 represents the present value of the full amount of the remaining payments associated with the arrangement (i.e., lease and non-lease components are combined and accounted for as a single lease component) over the remaining lease term, discounted using an appropriate incremental borrowing rate, determined as of the lease commencement date.

Finance lease right-of-use assets and liabilities are included in Prepaid expenses and other current assets and Accrued expenses and other current liabilities, respectively, on our consolidated balance sheets. For more information regarding the finance lease right-of-use assets and liabilities that are recognized on our December 31, 2019 and 2020 consolidated balance sheets, see Note 9, Leases.

Sale-Leaseback Transactions

Under lease accounting guidance in effect prior to our adoption of ASC 842, we assessed each sale-leaseback transaction to determine if each such transaction qualified as a sale or if it was required to be treated as a financing transaction. Prior to our adoption of ASC 842, a sale-leaseback transaction associated with one of our

constructed centers qualified as a sale and we initially deferred a gain on that successful sale. Upon our adoption of ASC 842, this deferred gain was recognized as a cumulative pre-tax increase in beginning retained earnings.

Prior to our adoption of ASC 842, we also had several sale-leaseback transactions that we were required to account for as financing transactions due to a prohibited form of continuing involvement with the applicable property. Upon our adoption of ASC 842, we reassessed each of these sale-leaseback transactions and determined that each of them qualified as a sale under the new lease guidance. As a result, financing accounting was discontinued, and we began accounting for each arrangement as an operating lease. Accordingly, the carrying value of the property and the related financing obligation associated with each of these arrangements was derecognized and an operating lease right-of-use asset and a related operating lease liability was recognized. Upon derecognition of the property and related financing obligations, we recognized a cumulative pre-tax increase in beginning retained earnings.

Since our adoption of ASC 842, we account for sale-leaseback transactions with unrelated third parties at fair value and we account for sale-leaseback transactions with related parties at their contractually-stated terms.

For more information regarding sale-leaseback transactions that occurred during the years ended December 31, 2019 and 2020, see Note 9, Leases.

Build-to-Suit Lease Arrangements

For some of our centers, we enter intobuild-to-suit lease arrangements related to the design and construction of a new center on the property. Under lease accounting guidance in effect prior to our adoption of ASC 842, due to our involvement with the property, we were considered, for accounting purposes, the owner of some construction projects associated with build-to-suit lease arrangements. As a result, we were required to account for each of these arrangements as a financing transaction. Upon our adoption of ASC 842, we reassessed each of these build-to-suit lease arrangements and determined that we did not control any of the underlying assets that were either already constructed or under construction. As a result, financing accounting was discontinued, and we began accounting for each arrangement as an operating lease. Accordingly, the carrying value of the assets that we did not own and the related financing obligation associated with each of these arrangements was derecognized and an operating lease right-of-use asset and related operating lease liability was recognized.

Since our adoption of ASC 842, we evaluatebuild-to-suit lease arrangements by first determining whether or not we control the underlying asset being constructed prior to the commencement date of the lease. If we determine that we do not control the underlying asset during the construction period, we account for the arrangement as either an operating lease or a finance lease. If we determine that we control the underlying asset during the construction period, we initially account for the arrangement as a financing transaction. For each build-to-suit arrangement that we have entered into since our adoption of ASC 842, we have determined that we either: (1) do not control the underlying asset currently under construction as of December 31, 2020; or (2) we did not control the underlying constructed asset prior to the commencement date of the lease. Accordingly, we have accounted for each of these arrangements as either an operating lease or a finance lease.

Intangible Assets

Intangible assets at December 31, 2019 and 2020 include trade names, member relationships and customer relationships. For more information on intangible assets, see Note 5, Goodwill and Intangibles.

Indefinite-Lived Intangible Assets

Intangible assets that are determined to have an indefinite useful life, such as trade names, are not amortized but instead tested for impairment at least annually. Our policy is to test indefinite-lived intangible assets for

impairment on October 1 of each year. We also evaluate these assets for impairment between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of an indefinite-lived intangible asset below its carrying amount. If such a review should indicate that the carrying amount of indefinite-lived intangible assets is not recoverable, we reduce the carrying amount of such assets to fair value. Based upon our review and analysis, no indefinite-lived intangible asset impairments were deemed to have occurred during any of the periods presented.

Finite-Lived Intangible Assets

Finite-lived intangible assets are stated at cost, net of accumulated amortization, which is recorded on a straight-line or accelerated basis over the life of the asset. We review finite-lived intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If such a review should indicate that the carrying amount of finite-lived intangible assets is not recoverable, we reduce the carrying amount of such assets to fair value. Based upon our review and analysis, no finite-lived intangible asset impairments were deemed to have occurred during any of the periods presented.

Other Assets

Other assets at December 31, 2019 and 2020 include our executive nonqualified plan assets, our investment in Bloomingdale LLC, our investment in a Delaware limited liability company named Dallas-Montfort Holdings, LLC (“D-M Holdings”) and unamortized debt issuance costs associated with the revolving portion of our senior secured credit facility. Other assets at December 31, 2019 and 2020 also include deferred membership origination costs.

Investment in Unconsolidated Subsidiary

In December 2019, we formed both D-M Holdings and a Delaware limited liability company named Dallas-Montfort Property, LLC, which is a wholly owned subsidiary of D-M Holdings. Also in December 2019, we and an unrelated organization each became a holder of 50% of the membership interests in D-M Holdings in exchange for a cash capital contribution of approximately $16.2 million. These capital contributions were made in connection with the acquisition of a property in Texas. Other than incurring an immaterial amount of expenditures, there was no activity associated with D-M Holdings during the year ended December 31, 2020.

We account for our investment inD-M Holdings using the equity method. The $16.2 million capital contribution we made in exchange for our 50% membership interest in D-M Holdings is reported in Acquisitions, net of cash acquired within the investing section in our consolidated cash flow statement for the year ended December 31, 2019.

Debt Issuance Costs

Debt issuance costs are amortized over the periods of the related debt financing. We recognize and present issuance costs associated with revolving debt arrangements as an asset and include the unamortized costs in Other assets on our consolidated balance sheets. We recognize and present unamortized issuance costs associated with non-revolving debt as a deduction from the face amount of related indebtedness. The amount of unamortized debt issuance costs included in Other assets on our consolidated balance sheets at December 31, 2019 and 2020 was $2.1 million and $1.3 million, respectively. The amount of unamortized debt issuance costs included in Long-term debt, net of current portion on our consolidated balance sheets at December 31, 2019 and 2020 was $29.9 million and $19.1 million, respectively. For more information on debt issuance costs, see Note 8, Debt.

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Fair Value Measurements

The accounting guidance establishes a framework for measuring fair value and expanded disclosures about fair value measurements. The guidance applies to all assets and liabilities that are measured and reported on a fair value basis. This enables the reader of the financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. The guidance requires that each asset and liability carried at fair value be classified into one of the following categories:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

The carrying amounts related to cash and cash equivalents, accounts receivable, income tax receivable, accounts payable and accrued liabilities approximate fair value.

Fair Value Measurements on a Recurring Basis. We had no material remeasurements of such assets or liabilities to fair value during the years ended December 31, 2019 and 2020.

Financial Assets and Liabilities. At both December 31, 2019 and 2020, the gross carrying amount of our outstanding debt approximates fair value. The fair value of our debt is based on the amount of future cash flows discounted using rates we would currently be able to realize for similar instruments of comparable maturity. If our long-term debt were recorded at fair value, it would be classified as Level 2 in the fair value hierarchy. For more information regarding our debt, see Note 8, Debt.

Fair Value Measurements on a Nonrecurring Basis. Assets and liabilities that are measured at fair value on a nonrecurring basis primarily relate to our long-lived assets, goodwill and intangible assets, which are remeasured when the derived fair value is below carrying value on our consolidated balance sheets. For these assets, we do not periodically adjust carrying value to fair value except in the event of impairment. If we determine that impairment has occurred, the carrying value of the asset would be reduced to fair value and the difference would be recorded as a loss within operating income in our consolidated statements of operations. For information regarding impairment charges associated with our long-lived assets and goodwill that we recognized during each of the periods presented, see the Impairment of Long-lived Assets and Goodwill sections within this footnote.

Marketing Expenses

Marketing expenses, which are included in General, administrative and marketing in our consolidated statements of operations, primarily consist of marketing department costs and media and advertising costs to support and grow our Center membership levels, in-center businesses, new center openings and our ancillary businesses. Marketing expenses are recognized as incurred. Marketing expenses for the years ended December 31, 2018, 2019 and 2020 were $58.5 million, $54.1 million and $31.4 million, respectively.

Litigation

We are engaged in proceedings incidental to the normal course of business. Due to their nature, such legal proceedings involve inherent uncertainties, including but not limited to court rulings, negotiations between affected parties and governmental intervention. We establish reserves for matters that are probable and estimable in amounts we believe are adequate to cover reasonable adverse outcomes. A gain contingency is an uncertain situation that will be resolved in the future, possibly resulting in a gain. We do not allow the recognition of a gain contingency prior to settlement of the underlying event. If we were to have a gain contingency, we would disclose it in the notes to the financial statements. Based upon the information available to us and discussions

with legal counsel, it is our opinion that the outcome of the various legal actions and claims that are incidental to our business will not have a material adverse impact on our consolidated financial position, results of operations or cash flows. Such matters are subject to many uncertainties, and the outcomes of individual matters are not predictable with assurance. For more information on litigation matters, see Note 11, Commitments and Contingencies.

Income Taxes

We account for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial statements and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

We record net deferred tax assets to the extent we believe these assets will more likely than not be realized. In making such determination, we consider all available positive and negative evidence, including scheduled reversals of deferred tax liabilities, projected future taxable income, tax planning strategies and recent financial operations. In the event we were to determine that we would be able to realize our deferred income tax assets in the future in excess of their net recorded amount, we would make an adjustment to the valuation allowance, which would reduce the provision for income taxes.

Our income tax returns are periodically audited by U.S. federal, state and local and Canadian tax authorities. At any one time, multiple tax years are subject to audit by various tax authorities. In evaluating the exposures associated with our various tax filing positions, we may record a liability for such exposures. We recognize, measure, present and disclose a liability for unrecognized tax benefits related to certain tax positions that we have taken or expect to take in our income tax returns. We recognize a tax position when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits. We adjust our liability for unrecognized tax benefits in the period in which an uncertain tax position is effectively settled, that statute of limitations expires for the relevant taxing authority to examine the tax position or when more information becomes available. Our liability for unrecognized tax benefits, including penalties and interest, is included in Other liabilities on our consolidated balance sheets. We recognize adjustments to our liability for unrecognized tax benefits, including penalties and interest, within Provision for (benefit from) income taxes in our consolidated statements of operations. For more information on income taxes, see Note 7, Income Taxes.

Share-Based Compensation

In accordance with ASC 718, “Compensation - Stock Compensation” (“ASC 718”), we have estimated the fair value of the majority of the stock options to purchase shares of common stock using the Black-Scholes-Merton option pricing model. This pricing model and generally accepted valuation techniques require management to make assumptions and to apply judgment to determine the fair value of equity awards. These assumptions and judgments include the expected term of stock options, expected stock price volatility and future stock option exercise behaviors. For more information on share-based compensation, see Note 10, Stockholders’ Equity.

Earnings (Loss) per Share

Basic earnings (loss) per share is computed by dividing the income (loss) available to common stockholders by the weighted average number of common shares outstanding during the period. The numerator in the diluted earnings (loss) per share calculation is derived by adding the effect of assumed common stock conversions to

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income (loss) available to common stockholders. The denominator in the diluted earnings (loss) per share calculation is derived by adding dilutive potential common shares to the weighted average number of common shares outstanding during the period. Potentially dilutive securities that are subject to performance or market conditions are considered contingently issuable shares for purposes of calculating diluted earnings (loss) per share. Accordingly, these contingently issuable shares are excluded from the computation of diluted earnings (loss) per share until the performance or market conditions have been met. Other potentially dilutive securities that do not involve contingently issuable shares are also excluded from the computation of diluted earnings (loss) per share if their effect is antidilutive.

For the years ended December 31, 2018, 2019 and 2020, our potentially dilutive securities include stock options, all of which are subject to performance conditions that were not met as of the end of each respective period. Accordingly, the contingently issuable shares associated with our stock options are excluded from the computation of diluted earnings (loss) per share for the years ended December 31, 2018, 2019 and 2020.

The following table sets forth the calculation of basic and diluted earnings (loss) per share for the years ended December 31, 2018, 2019 and 2020:

	Year Ended December 31,		
	2018	2019	2020
Net income (loss) attributable to Life Time Group Holdings, Inc.	$ 40,888	$ 30,025	$(360,192)
Weighted average common shares outstanding – basic and diluted	137,250	139,405	145,137
Earnings (loss) per share – basic and diluted	$ 0.30	$ 0.22	$ (2.48)

Potential common shares associated with stock options that that were excluded from the computation of diluted earnings (loss) per share for the years ended December 31, 2018, 2019 and 2020 were approximately 23.3 million, 21.3 million and 21.1 million, respectively. For information regarding our stock options, see Note 10, Stockholders' Equity and Note 14, Subsequent Events.

Changes in Accumulated Other Comprehensive Loss

The changes in accumulated other comprehensive loss during the years ended December 31, 2018, 2019 and 2020 is related to foreign currency translation adjustments associated with our Canadian operations.

3. Supplemental Cash Flow Information

Decreases (increases) in operating assets and increases (decreases) in operating liabilities are as follows:

	For the Year Ended December 31,		
	2018	2019	2020
Accounts receivable	$ (256)	$ (7,048)	$ 11,645
Center operating supplies and inventories	(1,412)	(2,591)	8,044
Prepaid expenses and other current assets	8,376	640	12,545
Income tax receivable	(3,300)	31,786	4,768
Other assets	2,516	1,537	6,010
Accounts payable	10,819	(3,549)	397
Accrued expenses	17,299	24,055	(20,585)
Deferred revenue	(1,726)	(8,137)	(8,028)
Other liabilities	(195)	(134)	22,721
Changes in operating assets and liabilities	$32,121	$36,559	$ 37,517

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Additional supplemental cash flow information is as follows:

	For the Year Ended December 31,		
	2018	2019	2020
Net cash paid for income taxes, net of refunds received (received from income tax refunds, net of taxes paid)	$ 2,142	$ (25,319)	$ (32,447)
Cash payments for interest, net of capitalized interest	122,466	120,880	111,696
Capitalized interest	10,359	9,091	4,942

See Note 9, Leases for supplemental cash flow information associated with our lease arrangements for the years ended December 31, 2019 and 2020.

4. Property and Equipment

Property and equipment, net consisted of the following:

	Depreciable Lives	December 31, 2019	December 31, 2020
Land		$ 386,376	$ 353,545
Buildings and related fixtures	3-44 years	2,198,726	1,994,985
Leasehold improvements	1-25 years	287,671	279,526
Construction in progress		255,627	297,598
Equipment and other	1-15 years	704,481	731,250
Property and equipment, gross		3,832,881	3,656,904
Less accumulated depreciation		(771,008)	(964,192)
Property and equipment, net		$ 3,061,873	$ 2,692,712

Included in the construction in progress balances are site development costs which consist of legal, engineering, architectural, environmental, feasibility and other direct expenditures incurred for certain new projects.

Equipment and other includes exercise equipment, capitalized software, computers, audio visual equipment, furniture and fixtures, decor and signage, as well as café, spa, playground and laundry equipment.

Depreciation expense, which is included in Depreciation and amortization in our consolidated statements of operations, for the years ended December 31, 2018, 2019 and 2020 was $202.3 million, $210.3 million and $241.6 million, respectively.

5. Goodwill and Intangibles

Goodwill

The changes in the carrying amount of goodwill during the year ended December 31, 2019 were as follows:

Balance at December 31, 2018	$ 1,231,759
Goodwill acquired	4,693
Impairments	(3,276)
Balance at December 31, 2019	$ 1,233,176

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The goodwill acquired during the year ended December 31, 2019 is from the acquisition of a health club business, a commercial plumbing and mechanical contracting business and a cycling event. The goodwill impairment charge recognized during the year ended December 31, 2019, which is the only goodwill impairment charge that we have recognized to-date, resulted from our decision in the fourth quarter of 2019 to close the business operations of MR&S. For more information regarding these acquisitions, see Note 2, Summary of Significant Accounting Policies.

There were no changes in the carrying amount of goodwill during the year ended December 31, 2020.

Intangibles

Intangible assets consisted of the following:

	December 31, 2019		
	Gross	Accumulated Amortization	Net
Intangible Assets:			
Trade name	$ 163,000	$ —	$ 163,000
Member relationships	62,100	(59,064)	3,036
Other	5,252	(3,045)	2,207
Total intangible assets	$230,352	$ (62,109)	$168,243

	December 31, 2020		
	Gross	Accumulated Amortization	Net
Intangible Assets:			
Trade name	$ 163,000	$ —	$ 163,000
Member relationships	62,100	(62,100)	—
Other	5,252	(3,833)	1,419
Total intangible assets	$230,352	$ (65,933)	$164,419

Other intangible assets consist of trade names and customer relationships associated with our race registration and timing businesses.

Net amortization expense associated with intangible assets and liabilities for the year ended December 31, 2018 was $9.2 million. Amortization expense associated with intangible assets for the years ended December 31, 2019 and 2020 was $7.9 million and $3.8 million, respectively. Upon our adoption of ASC 842, favorable lease assets and unfavorable lease liabilities totaling $13.8 million and $20.2 million, respectively, that were previously recognized as intangible assets and liabilities, respectively, on our consolidated balance sheet were reclassified to Operating lease right-of-use assets on our consolidated balance sheet. During the year ended December 31, 2018, favorable lease assets and unfavorable lease liabilities were amortized as an increase and decrease of rent expense, respectively, over the remaining terms of the respective leases. Amortization of intangible assets, excluding favorable leases, is included in Depreciation and amortization in our consolidated statements of operations.

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As of December 31, 2020, the expected remaining amortization associated with intangible assets was as follows:

2021	$ 789
2022	383
2023	247
Total expected remaining amortization associated with intangible assets	$ 1,419

6. Revenue

Revenue associated with our membership dues, enrollment fees, and certain services from our in-center businesses is recognized over time as earned. Revenue associated with products and services offered in our cafes and spas, as well as through e-commerce, is recognized at a point in time. The following is a summary of revenue, by major revenue stream, that we recognized during the years ended December 31, 2018, 2019 and 2020:

	Year Ended December 31,		
	2018	2019	2020
Membership dues and enrollment fees	$ 1,112,975	$ 1,208,365	$ 651,116
In-center revenue	588,625	642,980	278,850
Total center revenue	1,701,600	1,851,345	929,966
Other revenue	47,693	49,026	18,413
Total revenue	$ 1,749,293	$ 1,900,371	$ 948,379

The timing associated with the revenue we recognized during the years ended December 31, 2019 and 2020 is as follows:

	For the Year Ended December 31, 2019			For the Year Ended December 31, 2020		
	Center Revenue	Other Revenue	Total Revenue	Center Revenue	Other Revenue	Total Revenue
Goods and services transferred over time	$ 1,615,210	$ 49,026	$ 1,664,236	$ 815,036	$ 18,413	$ 833,449
Goods and services transferred at a point in time	236,135	—	236,135	114,930	—	114,930
Total revenue	$ 1,851,345	$ 49,026	$ 1,900,371	$ 929,966	$ 18,413	$ 948,379

Contract liabilities represent payments or consideration received in advance for goods or services that the Company has not yet transferred to the customer. Contract liabilities consist primarily of deferred revenue as a result of fees collected in advance for membership dues, enrollment fees, personal training, and other center services offerings, as well as our media and athletic events. Contract liabilities at December 31, 2019 and 2020 were $54.1 million and $46.1 million, respectively. The $8.0 million decrease was primarily due to fewer enrollment fees and center services offerings, partially offset by an increase in membership dues credits as a result of center closures in 2020.

Contract liabilities that will be recognized within one year are classified as deferred revenue in our consolidated balance sheets. Deferred revenue at December 31, 2019 and 2020 was $44.8 million and $42.3 million, respectively, and consists primarily of prepaid membership dues, personal training and other in-center services, and enrollment fees.

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Contract liabilities that will be recognized in a future period greater than one year are classified as a component of other liabilities in our consolidated balance sheets. Long-term contract liabilities at December 31, 2019 and 2020 were $9.3 million and $3.8 million, respectively, and consist primarily of deferred enrollment fees. The $5.5 million decrease was primarily related to fewer enrollment fees due to center closures during 2020.

7. Income Taxes

The provision for (benefit from) income taxes is comprised of:

	For the Year Ended December 31,		
	2018	2019	2020
Current tax (benefit) expense			
Federal	$ (3,875)	$ 1,358	$ (28,872)
State and local	2,300	5,328	1,264
Foreign	415	149	178
Total current tax (benefit) expense	(1,160)	6,835	(27,430)
Deferred tax expense (benefit)			
Federal	14,779	8,040	(82,700)
State and local	6,261	(4,258)	(17,181)
Foreign	253	(346)	(29)
Total deferred tax expense (benefit)	21,293	3,436	(99,910)
Non-current tax expense (benefit)	37	(191)	(198)
Provision for (benefit from) income taxes	$20,170	$10,080	$(127,538)

The amount of deferred tax expense (benefit) differs from the change in theyear-end deferred tax balances due to the tax effect of other comprehensive income, additional paid-in capital items or change in federal and state effective tax rates.

On March 27, 2020, Congress enacted the CARES Act to provide certain relief as a result of theCOVID-19 pandemic. The CARES Act, among other things, includes provisions relating to refundable payroll tax credits for employee retention, deferment of the employer's portion of social security tax payments, net operating loss carrybacks, alternative minimum tax credit refunds, modifications to the net interest deduction limitations and technical corrections to tax depreciation methods for qualified improvement property. An income tax benefit of $12.2 million was recognized during the year ended December 31, 2020 as a result of the favorable federal tax rate differential from the net operating loss carrybacks under the CARES Act. The favorable federal tax rate differential is due to net operating losses generated in tax years with a federal tax rate of 21% whereas the losses were carried back to tax years with a federal tax rate of 35%.

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The reconciliation between our effective tax rate on income before income taxes and the statutory tax rate is as follows:

	For the Year Ended December 31,		
	2018	2019	2020
Income tax provision (benefit) at federal statutory rate	$12,836	$ 8,427	$(102,424)
State and local income taxes, net of federal tax benefit	8,107	880	(23,357)
Tax reform	(2,282)	—	—
Goodwill impairment	—	688	—
CARES Act	—	—	(12,157)
Change in valuation allowance	1,382	65	9,538
Other, net	127	20	862
Provision for (benefit from) income taxes	$20,170	$10,080	$(127,538)

Deferred income taxes are the result of provisions of the tax laws that either require or permit certain items of income or expense to be reported for tax purposes in different periods than they are reported for financial reporting. The tax effect of temporary differences that gives rise to the net deferred tax liability are as follows:

	December 31,	
	2019	2020
Deferred tax assets:		
Lease-related liabilities	$ 396,312	$ 456,630
Accrued equity compensation	123	75
Accrued expenses	11,829	14,114
Deferred revenue	1,498	4,147
Net operating loss	25,857	125,379
Business interest	7,273	765
Other	9,435	9,176
Valuation allowance	(3,619)	(12,957)
Total deferred tax assets	448,708	597,329
Deferred tax liabilities:		
Property and equipment	(315,630)	(304,900)
Intangibles	(38,567)	(39,136)
Operating and finance lease right-of-use assets	(371,133)	(434,647)
Partnership interest	(1,639)	(1,694)
Debt issuance costs	(4,148)	(2,410)
Costs related to deferred revenue	(5,268)	(2,526)
Other	(7,328)	(7,138)
Total deferred tax liabilities	(743,713)	(792,451)
Net deferred tax liability	$(295,005)	$(195,122)

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The following is a reconciliation of the total amounts of unrecognized tax benefits:

	For the Year Ended December 31,		
	2018	2019	2020
Unrecognized tax benefit – beginning balance	$ 1,200	$ 1,200	$ 900
Gross increases – tax positions in current period	300	—	—
Lapse of statute of limitations	(300)	(300)	(300)
Unrecognized tax benefit – ending balance	$ 1,200	$ 900	$ 600

Included in each balance of unrecognized tax benefits at December 31, 2018, 2019 and 2020 are $1.2 million, $0.9 million and $0.6 million of benefits, respectively, that, if recognized, would affect the effective tax rate. We recognize interest accrued related to unrecognized tax benefits and penalties as income tax expense. These amounts were not significant in any of the periods presented. As of December 31, 2020, we do not anticipate that the total amounts of unrecognized tax benefits will significantly increase or decrease in the next 12 months.

We are subject to taxation in the U.S., Canada and various states. Our tax years 2017, 2018 and 2019 are subject to examination by the tax authorities. With few exceptions, we are no longer subject to U.S. federal, state or local examinations by tax authorities for years before 2017.

As of December 31, 2019, we had a federal income tax net operating loss carryforward related to our U.S. operations of approximately $94.8 million ($19.9 million tax effected), of which approximately $64.4 million ($13.5 million tax effected) expires in 2038 and approximately $30.4 million ($6.6 million tax effected) can be carried forward indefinitely. As of December 31, 2019, we also had state net operating loss carryforwards totaling approximately $34.9 million ($2.0 million tax effected), which will expire between tax years 2028 and 2039. As it relates to our Canada operations, we had an income tax net operating loss carryforward of approximately $14.8 million ($3.9 million tax effected) as of December 31, 2019, which will be subject to expiration between tax years 2032 and 2038.

As of December 31, 2019, we projected that approximately $2.1 million of the tax effected Canadian net operating loss carryforward would expire unused. As a result, a valuation allowance of approximately $2.1 million had been recorded to reduce the deferred tax asset associated with the Canadian net operating loss carryforward. As of December 31, 2019, we also had a foreign tax credit carryforward of approximately $1.5 million that could be used to offset future U.S. federal tax liabilities on foreign-sourced income. We projected that our foreign sourced income would not be sufficient to fully utilize the credit carryforward. As a result, a valuation allowance of $1.5 million had been recorded as of December 31, 2019, in order to reduce the deferred tax asset associated with the foreign tax credit carryforward.

As of December 31, 2019, we had a business interest carryforward of approximately $29.7 million ($7.3 million tax effected). As of December 31, 2019, we also had a general business credit carryforward of approximately $1.3 million.

As of December 31, 2020, we had a federal income tax net operating loss carryforward related to our U.S. operations of approximately $481.7 million ($101.1 million tax effected), of which approximately $75.8 million ($15.9 million tax effected) expires in 2038 and approximately $405.9 million ($85.2 million tax effected) can be carried forward indefinitely. As of December 31, 2020, we also had state net operating loss carryforwards totaling approximately $311.1 million ($18.1 million tax effected), of which approximately $242.0 million ($15.1 million tax effected) expires between 2026 and 2041 and approximately $69.1 million ($3.0 million tax effected) can be carried forward indefinitely. As it relates to our Canada operations, we had an income tax net

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operating loss carryforward of approximately $23.0 million ($6.1 million tax effected) as of December 31, 2020, which was subject to expiration between tax years 2033 and 2040.

We considered all available positive and negative evidence, including scheduled reversals of deferred tax liabilities, projected future taxable income, tax planning strategies and recent financial operations to determine the extent to which we believe net deferred tax assets will more likely than not be realized. Based on this assessment, as of December 31, 2020, a valuation allowance of $7.2 million has been recorded to reduce the deferred tax asset associated with the state net operating loss carryforwards and other deferred tax assets. As of December 31, 2020, a valuation allowance of approximately $4.1 million has been recorded to reduce the deferred tax asset associated with the Canadian net operating loss carryforward and other deferred tax assets. As of December 31, 2020, we had a foreign tax credit carryforward of approximately $1.7 million that can be used to offset future U.S. federal tax liabilities on foreign-sourced income. We project that our foreign sourced income will not be sufficient to fully utilize the credit carryforward. As a result, a valuation allowance of $1.7 million has been recorded as of December 31, 2020, in order to reduce the deferred tax asset associated with the foreign tax credit carryforward.

As of December 31, 2020, we had a business interest carryforward of approximately $3.1 million ($0.8 million tax effected) which can be carried forward indefinitely. As of December 31, 2020, we also had a general business credit carryforward of approximately $1.6 million that can be used to offset future U.S. federal tax liabilities, which were subject to expiration between tax years 2036 and 2039.

We consider the undistributed earnings of our foreign subsidiaries as of December 31, 2020 to be indefinitely reinvested and, accordingly, no U.S. income taxes have been provided thereon. As of December 31, 2020, the amount of cash associated with indefinitely reinvested foreign earnings was approximately $2.7 million. We have not, nor do we anticipate the need to, repatriate funds to the U.S. to satisfy domestic liquidity needs arising in the ordinary course of business, including liquidity needs associated with our domestic debt service requirements.

8. Debt

Debt consisted of the following:

	December 31,	
	2019	2020
Existing Term Loan Facility, maturing June 2022	$ 1,486,794	$ 1,471,584
Existing Revolving Credit Facility, maturing August 2022	175,000	94,000
Existing Senior Unsecured Notes, maturing June 2023	450,000	450,000
Mortgage notes, various maturities (1)	173,909	167,872
Secured loan - related parties, maturing June 2021	—	101,503
Other debt	1,009	4,289
Fair value adjustments	3,120	2,469
Total debt	2,289,832	2,291,717
Less unamortized debt issuance costs	(29,872)	(19,121)
Total debt less unamortized issuance costs	2,259,960	2,272,596
Less current maturities	(36,225)	(139,266)
Long-term debt, less current maturities	$ 2,223,735	$ 2,133,330

(1) Mortgage notes collateralized by certain related real estate and buildings, due through 2027 at a weighted average interest rate of 4.76% and 4.68% at December 31, 2019 and 2020, respectively.

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Existing Debt Prior to Refinancing Transactions

During the first quarter of 2021, Life Time, Inc., an indirect, wholly-owned subsidiary of Life Time Group Holdings, Inc., as the borrower and issuer, as applicable, together with certain other wholly-owned subsidiaries: (i) refinanced in full the then outstanding balances associated with our existing term loan facility (the "Existing Term Loan Facility") and our existing revolving credit facility (the "Existing Revolving Credit Facility") through net cash proceeds Life Time, Inc. received from a new term loan facility (the "Amended Term Loan Facility") that matures in December 2024 as well as the issuance of senior secured notes (the "Senior Secured Notes") that mature in January 2026; (ii) refinanced in full our existing senior unsecured notes ("the Existing Senior Unsecured Notes") through proceeds Life Time, Inc. received from the issuance of new senior unsecured notes (the "New Senior Unsecured Notes") that mature in April 2026; and (iii) converted our then existing related party secured loan into convertible preferred equity of Life Time Group Holdings, Inc. For more information regarding these subsequent refinancing transactions, see the Subsequent Refinancing Transactions section within this footnote. The following disclosures within this section represent activity with respect to our debt through and including December 31, 2020.

Existing Senior Secured Credit Facility

In June 2015, certain subsidiaries of Life Time Group Holdings, Inc., including Life Time, Inc., entered into the senior secured credit facility ("Existing Senior Secured Credit Facility") with a group of lenders led by Deutsche Bank AG as the administrative agent. The Existing Senior Secured Credit Facility could be increased by an additional $332.0 million (plus additional amounts that could be added upon the satisfaction of certain financial tests) upon the exercise of an accordion feature if one or more lenders agreed to commit the additional funds. The Existing Senior Secured Credit Facility was secured by a first priority lien on substantially all of our assets.

Existing Term Loan Facility

The Existing Senior Secured Credit Facility initially provided for a $1,250.0 million term loan. In June 2016, as part of an amendment to the Existing Senior Secured Credit Facility, Life Time, Inc. received $100.0 million of incremental term loan proceeds. In both January 2017 and November 2017, we repriced the then outstanding term loan balance through additional amendments to the Existing Senior Secured Credit Facility. In connection with these repricing transactions, the interest rate was reduced by an aggregate of 0.50%. In March 2018, as part of an amendment to the Existing Senior Secured Credit Facility, Life Time, Inc. received $200.0 million of incremental term loan proceeds. In connection with this incremental term loan, the mandatory quarterly principal repayments associated with the Existing Term Loan Facility loan were increased from $3.3 million to $3.8 million. As of December 31, 2020, the Existing Term Loan Facility loan balance amortized at approximately 0.25% quarterly and was scheduled to mature in June 2022.

At December 31, 2019, the Existing Term Loan Facility loan balance was $1,486.8 million. At December 31, 2020, the Existing Term Loan Facility loan balance was $1,471.6 million, with interest due at intervals ranging from 30 to 180 days at interest rates ranging from the London Interbank Offered Rate ("LIBOR") plus 2.75% or base rate plus 1.75%.

Existing Revolving Credit Facility

The Existing Senior Secured Credit Facility initially provided for a $250.0 million revolving credit facility. In November 2017, we amended the Existing Senior Secured Credit Facility to extend the maturity date of $247.9 million of the initial $250.0 million Existing Revolving Credit Facility from June 2020 to August 2022. However, if by March 2022 the Existing Term Loan Facility had not been extended to March 2023 or a later date, the maturity date would have been shortened to March 2022. Also, as part of this amendment, the interest rate associated with the extended portion of the Existing Revolving Credit Facility was reduced by 0.25%. The remaining $2.1 million of the initial $250.0 million Existing Revolving Credit Facility matured in June 2020. In

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March 2018, we amended the Existing Senior Secured Credit Facility to increase the Existing Revolving Credit Facility's borrowing capacity by $110.0 million. The $110.0 million incremental borrowing capacity was scheduled to mature in August 2022; however, if by March 2022 the Existing Term Loan Facility had not been extended to March 2023 or a later date, the maturity date would have been shortened to March 2022. At December 31, 2020, the total borrowing capacity under the Existing Revolving Credit Facility was $357.9 million.

At December 31, 2019, $175.0 million was outstanding on the Existing Revolving Credit Facility and there were $23.9 million of outstanding letters of credit. At December 31, 2020, $94.0 million was outstanding on the Existing Revolving Credit Facility and there were $22.6 million of outstanding letters of credit, resulting in total revolver availability of $241.3 million. At December 31, 2020, the weighted average interest rate in effect under the Existing Revolving Credit Facility was 3.19%. The weighted average interest rate and debt outstanding under the Existing Revolving Credit Facility for the year ended December 31, 2020 was 3.40% and $177.3 million, respectively. The highest month-end balance during that same period was $330.0 million. As of December 31, 2020, the total Existing Revolving Credit Facility availability of $241.3 million was available at intervals ranging from 30 to 180 days at interest rates of LIBOR plus 3.00% or base rate plus 2.00%.

Existing Senior Unsecured Notes

In June 2015, Life Time, Inc. issued the Existing Senior Unsecured Notes in the original principal amount of $450.0 million. The Existing Senior Unsecured Notes were scheduled to mature in June 2023 and interest only payments were due semi-annually at 8.50%. During the period from June 15, 2020 through the maturity date of the notes, Life Time, Inc. had the option to call the notes, in whole or in part, at a call price of 100.000% of the principal amount to be redeemed. As of December 31, 2020, $450.0 million was outstanding on the notes.

Secured Loan - Related Parties

On June 24, 2020, we closed on an approximate $101.5 million secured loan from an investor group comprised solely of our stockholders or their affiliates. The secured loan was made to two of our newly-formed co-borrower unrestricted subsidiaries and was collateralized by previously-unencumbered real estate assets at four locations that were transferred to these unrestricted subsidiaries. The secured loan carried an interest rate of 12.0% and was scheduled to mature in June 2021. During the year ended December 31, 2020, approximately $6.4 million of interest expense was recognized on this secured loan, all of which was unpaid as of December 31, 2020. This accrued interest balance is included in Accrued expenses on our December 31, 2020 consolidated balance sheet.

Debt Issuance and Original Issue Discount Costs

In connection with the Existing Term Loan Facility, related party secured loan and Existing Senior Unsecured Notes, we incurred debt issuance and original issue discount costs totaling $78.6 million, of which $0.5 million were incurred during the year ended December 31, 2020. In our consolidated balance sheets, we recognize and present unamortized issuance and original issue discount costs associated with non-revolving debt as a deduction from the face amount of related indebtedness. Accordingly, unamortized non-revolving debt issuance and original issuance discount costs of $29.9 million and $19.1 million are included in Long-term debt, net of current portion on our consolidated balance sheets at December 31, 2019 and 2020, respectively.

In connection with the Existing Revolving Credit Facility, we incurred debt issuance costs totaling $6.6 million. In our consolidated balance sheets, we recognize and present issuance costs associated with revolving debt arrangements as an asset. Accordingly, unamortized revolver-related debt issuance costs of $2.1 million and $1.3 million are included in Other assets on our consolidated balance sheets at December 31, 2020 and 2019, respectively.

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Debt Covenants

During the year ended December 31, 2020, we were required to comply with certain affirmative and restrictive covenants under the Existing Senior Secured Credit Facility, the indenture governing the Existing Senior Unsecured Notes and certain other loan agreements. At December 31, 2020, we would have been required to comply with a first lien net leverage ratio covenant under the Existing Senior Secured Credit Facility had our outstanding revolving loans and letters of credit exceeded a certain threshold.

Future Maturities of Long-Term Debt

Aggregate annual future maturities of long-term debt, excluding unamortized issuance costs and fair value adjustments, at December 31, 2020 were as follows:

2021	$ 139,266
2022	1,573,996
2023	467,661
2024	63,407
2025	12,830
Thereafter	32,088
Total future maturities of long-term debt	$ 2,289,248

Subsequent Refinancing Transactions

Amended Senior Secured Credit Facility

On January 22, 2021, Life Time, Inc. and certain of our other wholly-owned subsidiaries entered into an eighth amendment to the credit agreement governing the Existing Senior Secured Credit Facility (the "Amended Senior Secured Credit Facility"). Pursuant to the Amended Senior Secured Credit Facility, Life Time, Inc. and such other subsidiaries: (i) entered into the Amended Term Loan Facility and incurred new term loans in an aggregate principal amount of $850.0 million; (ii) paid off the then outstanding balances associated with the Existing Term Loan Facility and the Existing Revolving Credit Facility, and (iii) extended the maturity of $325.2 million of the $357.9 million Existing Revolving Credit Facility to September 2024 (the "Amended Revolving Credit Facility").

Upon the exercise of an accordion feature and subject to certain conditions, borrowings under the Amended Senior Secured Credit Facility may be increased up to an additional $400.0 million (plus additional amounts that may be added upon the satisfaction of certain financial tests) subject, in certain cases, to meeting a first lien net leverage ratio. Our ability to increase our borrowings under the Amended Senior Secured Credit Facility using this accordion feature is restricted during the Covenant Modification Period (as defined in "—Debt Covenants" below). The Amended Senior Secured Credit Facility is secured by a first priority lien (on a *pari-passu* basis with the Senior Secured Notes described below) on substantially all of our assets.

The net cash proceeds Life Time, Inc. received under the Amended Term Loan Facility, as well as from the Senior Secured Notes, were used to: (i) refinance in full the then outstanding balances associated with the Existing Term Loan Facility and the Existing Revolving Credit Facility; (ii) pay debt issuance and original issue discount costs associated with each of these financing transactions (details of which are described in "—Debt Discounts and Issuance Costs" below); and (iii) strengthen our balance sheet by adding to our cash position.

Amended Term Loan Facility

Under the Amended Term Loan Facility, Life Time, Inc. incurred new term loans in an aggregate principal amount of $850.0 million, of which $507.6 million represents cash proceeds we received and $342.4 million

represents the noncash portion of the Existing Term Loan Facility that was rolled over into the Amended Term Loan Facility. On January 22, 2021, we used the net cash proceeds received from the Amended Term Loan Facility, as well as a portion of the net proceeds received from the Senior Secured Notes, to pay off the then outstanding $1,129.2 million Existing Term Loan Facility balance. The $850.0 million Amended Term Loan Facility amortizes at 0.25% quarterly, resulting in mandatory quarterly principal repayments of approximately $2.1 million, and matures in December 2024.

Amended Revolving Credit Facility

Under the Amended Revolving Credit Facility, we extended the maturity of $325.2 million of the $357.9 million revolver to September 2024. The remaining $32.7 million non-extended portion of the Amended Revolving Credit Facility matures in August 2022. On January 22, 2021, we used a portion of the net proceeds received from the Senior Secured Notes to pay off the then outstanding $109.0 million Existing Revolving Credit Facility balance.

Senior Secured Notes

On January 22, 2021, Life Time, Inc. issued Senior Secured Notes in an aggregate principal amount of $925.0 million. These notes mature in January 2026 and interest only payments are due semi-annually in arrears at 5.75%. Life Time, Inc. has the option to call the Senior Secured Notes, in whole or in part, on one or more occasions, beginning on January 15, 2023, subject to the payment of a redemption price that includes a call premium that varies depending on the year of redemption. In addition, at any time prior to January 15, 2023, Life Time, Inc. may redeem up to 40% of the aggregate principal amount of the Senior Secured Notes outstanding with the net proceeds of certain equity offerings by us at a redemption price equal to 105.75% of the principal amount of the Senior Secured Notes, plus accrued and unpaid interest, if any, to, but not including, the redemption date. The Senior Secured Notes and the related guarantees are our senior secured obligations and are secured on a first-priority basis by security interests in substantially all of our assets.

New Senior Unsecured Notes

On February 5, 2021 we refinanced the Existing Senior Unsecured Notes through the issuance by Life Time, Inc. of the New Senior Unsecured Notes in the original principal amount of $475.0 million. The New Senior Unsecured Notes mature in April 2026 and interest only payments are due semi-annually in arrears at 8.00%. The proceeds from the New Senior Unsecured Notes were used to: (i) redeem in full the then outstanding Existing Senior Unsecured Notes balance of $450.0 million and satisfy and discharge our obligations thereunder; (ii) pay debt issuance costs associated with the issuance of the New Senior Unsecured Notes (details of which are described in "—Debt Discounts and Issuance Costs" below); and (iii) strengthen our balance sheet by adding to our cash position.

Life Time, Inc. has the option to call the New Senior Unsecured Notes, in whole or in part, on one or more occasions, beginning on February 1, 2023, subject to the payment of a redemption price that includes a call premium that varies depending on the year of redemption. In addition, at any time prior to February 1, 2023, Life Time, Inc. may redeem up to 40% of the aggregate principal amount of the New Senior Unsecured Notes outstanding with the net proceeds of certain equity offerings by us at a redemption price equal to 108.00% of the principal amount of the New Senior Unsecured Notes, plus accrued and unpaid interest, if any, to, but not including, the redemption date. The New Senior Unsecured Notes and the related guarantees are our general senior unsecured obligations and will rank equally in right of payment with all of our existing and future senior indebtedness without giving effect to collateral arrangements.

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Secured Loan - Related Parties

On January 11, 2021, Life Time Group Holdings, Inc. and certain of its subsidiaries and the investor group associated with our then existing related party secured loan (or their assignees) entered into an agreement to convert the total amount of outstanding principal and accrued interest (up though and including January 22, 2021) under the related party secured loan into convertible preferred equity of Life Time Group Holdings, Inc. Effective January 22, 2021, the total outstanding principal and accrued interest balance of approximately $108.6 million was conveyed by the investor group to us and we issued, on a dollar-for-dollar basis, convertible preferred equity of Life Time Group Holdings, Inc. We will be required to redeem the convertible preferred equity, including any accrued paid-in-kind (PIK) dividends, five and a half years after issuance. For accounting purposes, because the fair value of the convertible preferred equity that was issued exceeded the carrying value of the outstanding principal and accrued interest balance associated with the related party secured loan that was extinguished, we recognized a $41.0 million debt extinguishment loss associated with this transaction during the first quarter of 2021.

Debt Discounts and Issuance Costs

In connection with the Amended Term Loan Facility, Senior Secured Notes and New Senior Unsecured Notes, we incurred debt discounts and issuance costs totaling approximately $41.4 million during the first quarter of 2021. In our consolidated balance sheets, we recognized these costs as a deduction from the face amount of related indebtedness and will subsequently amortize these costs over the remaining term of the related indebtedness.

In connection with the extinguishment of the Existing Term Loan Facility, the Existing Senior Unsecured Notes and the related party secured loan during the first quarter of 2021, previously unamortized debt discounts and issuance costs were written off.

In connection with the Amended Revolving Credit Facility, we incurred debt issuance costs of approximately $0.8 million during the first quarter of 2021. As of the January 22, 2021 effective date associated with the Amended Senior Secured Credit Facility, the borrowing capacity (i.e., the product of the remaining term and the maximum available credit) associated with the Amended Revolving Credit Facility was greater than the borrowing capacity associated with the Existing Revolving Credit Facility. Accordingly, the debt issuance costs incurred in connection with the Amended Revolving Credit Facility, as well as the unamortized portion of the debt issuance costs associated with the Existing Revolving Credit Facility, will be amortized over the term of the Amended Revolving Credit Facility.

Debt Covenants

We are required to comply with certain affirmative and restrictive covenants under our Amended Senior Secured Credit Facility, Senior Secured Notes and New Senior Unsecured Notes. We are also required to comply with a first lien net leverage ratio covenant under the revolving portion of our Amended Senior Secured Credit Facility. However, our Amended Senior Secured Credit Facility includes a covenant modification period (the “Covenant Modification Period”) ending on the earlier of (i) January 1, 2022 or (ii) the date we provide notice of our intention to terminate the Covenant Modification Period. During the Covenant Modification Period, we will not be obligated to comply with the first lien net leverage ratio covenant; however, we will be required to maintain a minimum liquidity balance of $100.0 million, which will be tested monthly.

Effective as of the end of the first quarter following the Covenant Modification Period and continuing throughout the remaining term of our Amended Senior Secured Credit Facility, we will be required to maintain a first lien net leverage ratio, if 30% or more of the Amended Revolving Credit Facility commitments are outstanding

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shortly after the end of any quarter (excluding all cash collateralized undrawn letters of credit and other undrawn letters of credit up to $20.0 million). During the first three quarterly test periods following the Covenant Modification Period, certain financial measures used in the calculation of the first lien net leverage ratio will be calculated on an pro forma basis by annualizing the respective financial measures recognized during those test periods.

9. Leases

Lease Cost

Lease cost included in our consolidated statement of operations for the years ended December 31, 2019 and 2020 consisted of the following:

	Year Ended December 31,		Classification in Consolidated Statement of Operations
	2019	2020	
Lease cost:			
Operating lease cost	$ 164,876	$ 183,908	Rent
Short-term lease cost	1,028	1,007	Rent
Variable lease cost	61	1,342	Rent
Finance lease cost:			
Amortization of right-of-use assets	2,312	2,228	Depreciation and amortization
Interest on lease liabilities	188	65	Interest expense, net of interest income
Total lease cost	$ 168,465	$ 188,550	

Total lease cost for the year ended December 31, 2018 was $124.9 million.

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Operating and Finance Lease Right-of-Use Assets and Liabilities

Operating and finance lease right-of-use assets and lease liabilities were as follows:

	December 31,		Classification on Consolidated Balance Sheet
	2019	2020	
Lease right-of-use assets:			
Operating leases	$ 1,444,399	$ 1,708,597	Operating lease right-of-use assets
Finance leases (1)	2,859	2,295	Other assets
Total lease right-of-use assets	$ 1,447,258	$ 1,710,892	

	December 31,		Classification on Consolidated Balance Sheet
	2019	2020	
Lease liabilities:			
Current			
Operating leases	$ 21,301	$ 49,877	Current maturities of operating lease liabilities
Finance leases	1,439	1,171	Accrued expenses and other current liabilities
Noncurrent			
Operating leases	1,493,043	1,738,393	Operating lease liabilities, net of current portion
Finance leases	914	1,202	Other liabilities
Total lease liabilities	$ 1,516,697	$ 1,790,643	

(1) Finance lease right-of-use assets were reported net of accumulated amortization of $2.0 million and $1.2 million at December 31, 2019 and 2020, respectively.

Operating Lease Right-of-Use Assets and Liabilities Associated with Unrelated Third Party Leases

New Leases and Modifications of Existing Leases

In connection with leases with unrelated third parties that commenced during the year ended December 31, 2019, we recognized operating lease right-of-use assets and lease liabilities of $234.7 million and $213.0 million, respectively, on our consolidated balance sheet. In connection with modified leases that were remeasured during the year ended December 31, 2019, we recognized a net increase in both operating lease right-of-use assets and lease liabilities of $2.1 million on our consolidated balance sheet.

In connection with leases with unrelated third parties that commenced during the year ended December 31, 2020, we recognized operating lease right-of-use assets and lease liabilities of $241.3 million and $196.8 million, respectively, on our consolidated balance sheet. In connection with modified leases that were remeasured during the year ended December 31, 2020, we recognized a net increase in operating lease right-of-use assets and lease liabilities of $32.1 million and $33.0 million, respectively, on our consolidated balance sheet.

Impairment of Right-of-Use Assets

During the year ended December 31, 2019, we determined that the operating leaseright-of-use assets associated with the business operations of MR&S were impaired. Accordingly, we recognized $1.3 million of impairment charges associated with these right-of-use assets, which are included in Other operating in our consolidated

statement of operations for the year ended December 31, 2019. During the year ended December 31, 2020, we determined that the operating lease right-of-use assets associated with some of our leased centers and some of our ancillary businesses were impaired. Accordingly, we recognized $2.0 million of impairment charges associated with these right-of-use assets, which are included in Other operating in our consolidated statement of operations for the year ended December 31, 2020.

For more information regarding impairment charges associated with our long-lived assets, see Note 2, Summary of Significant Accounting Policies.

Finance Lease Right-of-Use Assets and Liabilities Associated with Unrelated Third Party Leases

In connection with leases with unrelated third parties that commenced during the year ended December 31, 2019, we recognized finance lease right-of-use assets and lease liabilities, each of which totaled $0.8 million, on our consolidated balance sheet.

In connection with leases with unrelated third parties that commenced during the year ended December 31, 2020, we recognized finance lease right-of-use assets and lease liabilities, each of which totaled $2.6 million, on our consolidated balance sheet.

Operating and Finance Lease Right-of-Use Assets and Liabilities Associated with Related Party Leases

In September 2015, our CEO, through two limited liability companies in which he had a 100% interest, acquired the Woodbury, Minnesota facility that we have occupied and operated as a tenant since 1995. The terms of the existing lease were unchanged upon the change in ownership. On September 29, 2020, our CEO contributed his ownership of our center in Woodbury, Minnesota to a limited liability company jointly owned by our CEO, a former executive of the Company, and another member of our board of directors, among other investors ("LTRE"). Following this contribution, we terminated our existing lease with the entities owned by our CEO and entered into a new lease for the Woodbury center with subsidiaries of LTRE.

The new Woodbury lease, which we are currently accounting for as an operating lease, has an initial term of 20 years, and includes four renewal options of five years each. In connection with this lease, we recognized an operating lease right-of-use asset and lease liability, each of which totaled $13.6 million, on our December 31, 2020, consolidated balance sheet. Upon termination of the previous Woodbury lease, which was previously accounted for as a finance lease, the finance lease right-of-use asset and lease liability balances that we derecognized were $0.9 million and $1.1 million, respectively. During the years ended December 31, 2018, 2019 and 2020, we paid rent pursuant to the Woodbury leases of $1.0 million, $1.0 million and $0.5 million, respectively.

During the year ended December 31, 2019, in connection with a sale-leaseback transaction, involving one property, with a limited liability company jointly owned by our CEO and another member of our board of directors, we recognized an operating lease right-of-use asset and lease liability of $24.7 million and $24.3 million, respectively. For more information regarding this sale-leaseback transaction, see "—Related Party Sale-Leaseback Transactions" within this footnote.

During the year ended December 31, 2020, in connection with a sale-leaseback transaction, involving one property, with a subsidiary of LTRE, we recognized an operating lease right-of-use asset and lease liability of $31.7 million and $31.4 million, respectively. For more information regarding this sale-leaseback transaction, see "—Related Party Sale-Leaseback Transactions" within this footnote.

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Remaining Lease Terms and Discount Rates

The weighted-average remaining lease terms and discount rates associated with our operating and finance lease liabilities at December 31, 2020 were as follows:

	December 31, 2020
Weighted-average remaining lease term	
Operating leases	18.4 years
Finance leases	2.4 years
Weighted-average discount rate	
Operating leases	8.02%
Finance leases	6.93%

Sale-Leaseback Transactions

Sale-Leaseback Transactions with Unrelated Third Parties

During the year ended December 31, 2019, we entered into sale-leaseback transactions, involving four properties, with unrelated third parties. Under these agreements, we sold assets with a net book value of $178.5 million for $164.0 million, which was reduced by transaction costs of $1.0 million, for net cash proceeds of $163.0 million. The estimated fair value of the four properties sold totaled $185.3 million. The sales price associated with these arrangements was increased, for accounting purposes, by a total of $21.3 million, which resulted in the recognition of a net gain of $5.8 million. This net gain is included in Other operating in our consolidated statement of operations for the year ended December 31, 2019. The leases, which have been classified as operating leases, have initial terms of approximately 25 years and include renewal options that we have determined are not reasonably certain of being exercised. The $21.3 million total increase in the aggregate sales price associated with these sale-leaseback transactions was accounted for as prepaid rent, the applicable portions of which were recognized as a non-cash increase in the respective operating lease right-of-use asset associated with each of these properties.

During the year ended December 31, 2020, we entered into sale-leaseback transactions, involving five properties, with unrelated third parties. Under these agreements, we sold assets with a net book value of $237.7 million for $199.2 million, which was reduced by transaction costs of $0.5 million, for net cash proceeds of $198.7 million. The estimated fair value of the five properties sold totaled $243.1 million. Sale-leaseback transactions with unrelated third parties to be accounted for at fair value. Accordingly, the sales price associated with these arrangements was increased, for accounting purposes, by a total of $43.9 million, which resulted in the recognition of a net gain of $4.9 million. This net gain is included in Other operating in our consolidated statement of operations for the year ended December 31, 2020. The leases, which have been classified as operating leases, have initial terms of approximately 25 years and include renewal options that we have determined are not reasonably certain of being exercised. The $43.9 million total increase in the aggregate sales price associated with these sale-leaseback transactions was accounted for as prepaid rent, the applicable portion of which was recognized as a non-cash increase in the respective operating lease right-of-use asset associated with each of these properties.

On December 16, 2020, we entered into an agreement for the sale-leaseback of one property with an unrelated third party. Under this agreement, we agreed to sell assets with a net book value of $43.7 million for $34.0 million. This transaction closed during the first quarter of 2021. The estimated fair value of the property sold was $43.5 million. Accordingly, the sales price associated with this arrangement was increased, for accounting purposes, by a total of $9.5 million, which resulted in the recognition of a loss of $0.3 million on the transaction. Upon closing, the lease, which was classified as an operating lease, has an initial term of

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approximately 25 years and includes renewal options that we have determined are not reasonably certain of being exercised. At December 31, 2020, the $43.7 million carrying value of the property is classified as property held for sale, which is included within Prepaid expenses and other current assets on our December 31, 2020 consolidated balance sheet.

Related Party Sale-Leaseback Transactions

During the year ended December 31, 2019, we entered into a sale-leaseback transaction, involving one property, with a limited liability company jointly owned by our CEO and another member of our board of directors. Under this agreement, we sold assets with a net book value of $37.5 million for $32.0 million, which was reduced by transaction costs totaling approximately $0.2 million, for net cash proceeds of $31.8 million. Upon consummation of this transaction, we recognized a loss of $5.7 million, which is included in Other operating in our consolidated statement of operations for the year ended December 31, 2019. The lease,which has been classified as an operating lease, has an initial term of which is approximately 25 years and includes renewal options that we have determined are not reasonably certain of being exercised. During the years ended December 31, 2020 and 2019, we paid aggregate rent pursuant to this lease agreement of $1.5 million and $2.2 million, respectively.

During the year ended December 31, 2020, we consummated a sale-leaseback transaction, involving one property, with a subsidiary of LTRE. Under this agreement, we sold assets with a net book value of $35.1 million for $37.0 million. ASC 842 requires sale-leaseback transactions with related parties to be accounted for at their contractually-stated terms. Accordingly, we recognized a gain of $1.8 million, which is included in Other operating in our consolidated statement of operations for the year ended December 31, 2020. The lease,which has been classified as an operating lease, has an initial term of approximately 25 years and includes renewal options that we have determined are not reasonably certain of being exercised. During the year ended December 31, 2020, we paid aggregate rent pursuant to this lease agreement of $0.3 million.

Supplemental Cash Flow Information

Supplemental cash flow information associated with our operating and finance leases is as follows:

	Year Ended December 31,	
	2019	2020
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	$144,744	$131,617
Operating cash flows from finance leases	288	208
Financing cash flows from finance leases	1,621	1,343
Non-cash information:		
Right-of-use assets obtained in exchange for initial lease liabilities		
Operating leases	237,258	241,810
Finance leases	751	2,576
Right-of-use asset adjustments recognized as a result of the remeasurement of existing lease liabilities		
Operating leases	2,086	33,028
Non-cash increase in operating lease right-of-use assets associated with below-market sale-leaseback transactions	21,250	43,910
Impairment charges associated with operating lease right-of-use assets	(1,343)	(1,962)

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Maturities of Operating and Finance Lease Liabilities

The maturities associated with our operating and finance lease liabilities at December 31, 2020 are as follows:

	Operating Leases	Finance Leases	Total
2021	$ 183,001	$ 1,341	$ 184,342
2022	179,830	1,013	180,843
2023	183,103	244	183,347
2024	183,703	—	183,703
2025	186,263	—	186,263
Thereafter	2,610,548	—	2,610,548
Total lease payments	3,526,448	2,598	3,529,046
Less: Imputed interest	1,738,178	225	1,738,403
Present value of lease liabilities	$ 1,788,270	$ 2,373	$ 1,790,643

10. Stockholders' Equity

Common Stock Issuances

During the year ended December 31, 2019, we received net proceeds from the issuance of common stock of the Company totaling $105.4 million, which consist of $108.6 million of primary equity proceeds associated with a stock purchase agreement (the "First Stock Purchase Agreement"), reduced by $3.2 million in costs associated with such issuance of primary (i.e., newly-issued) shares of our common stock and $0.2 million in costs associated with an issuance of primary shares of our common stock that was consummated during the year ended December 31, 2020. The $105.4 million of net proceeds we received, which were recognized as a net increase in Cash and cash equivalents, Common stock and Additional paid-in capital on our consolidated balance sheet, are reported in Proceeds from the issuance of common stock, net within the financing section in our consolidated cash flow statement for the year ended December 31, 2019.

During the year ended December 31, 2020, we received proceeds from the issuance of common stock of the Company totaling $90.0 million, which consists of primary equity proceeds (i.e., proceeds associated with the sale of newly-issued shares of our common stock) associated with another stock purchase agreement (the "Second Stock Purchase Agreement"). The $90.0 million of proceeds we received, which were recognized as an increase in Cash and cash equivalents, Common stock and Additional paid-in capital on our consolidated balance sheet, are reported in Proceeds from the issuance of common stock within the financing section in our consolidated cash flow statement for the year ended December 31, 2020.

For further information regarding our sales of newly-issued common stock, see "—Stock Purchase Agreements" within this footnote.

Stock Purchase Agreements

First Stock Purchase Agreement

On May 23, 2019, we entered into a stock purchase agreement with certain of our existing stockholders (the "Selling Stockholders") and new investors (the "Investors") whereby we and Selling Stockholders agreed to sell, and the Investors agreed to purchase, shares of our common stock for a total purchase price of $725.0 million, of which $108.6 million represents primary equity proceeds we received and $616.4 million represents secondary equity proceeds (i.e., proceeds associated with previously-issued shares of our common stock) received by the

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Selling Stockholders. Costs associated with the issuance of our primary equity shares under the First Stock Purchase Agreement were approximately $3.2 million. The consummation of the transactions under the First Stock Purchase Agreement occurred on July 3, 2019. Effective with such consummation, the $105.4 million of net primary equity proceeds that we received during the year ended December 31, 2019 were recognized as an increase in Cash and cash equivalents, Common stock and Additional paid-in capital on our consolidated balance sheet.

Second Stock Purchase Agreement

On November 5, 2019, we entered into another stock purchase agreement with certain of our existing stockholders and new investors whereby we and such existing stockholders agreed to sell, and the new investors agreed to purchase, shares of our common stock for a total purchase price of $150.0 million, of which $90.0 million represents primary equity proceeds received by us and $60.0 million represents secondary equity proceeds received by such existing stockholders. The consummation of the transactions under the Second Stock Purchase Agreement occurred on January 6, 2020. Costs associated with such issuance of our primary equity shares were approximately $0.2 million. These costs, most of which were incurred during the year ended December 31, 2019, were recognized as a decrease in Additional paid-in capital on our December 31, 2019 consolidated balance sheet. The $90.0 million of primary equity proceeds that we received during the year ended December 31, 2020 were recognized as an increase in Cash and cash equivalents, Common stock and Additional paid-in capital on our consolidated balance sheet.

Share-Based Compensation

Equity Incentive Plan

On October 6, 2015, our board of directors adopted the LTF Holdings, Inc. 2015 Equity Incentive Plan (as amended, the "2015 Equity Plan"). As of December 31, 2020, the 2015 Equity Plan provided for the issuance of up to approximately 26.8 million shares of our common stock, of which (i) approximately 9.4 million shares are subject to an option granted to our CEO on October 6, 2015, (ii) approximately 14.1 million shares are reserved for grants of options to employees and other eligible participants (other than our CEO), and (iii) approximately 3.3 million shares are reserved for grants of restricted stock to our CEO.

On June 6, 2019, we launched a voluntary stock option purchase offer (the "Offer") whereby, subject to certain conditions and limitations, we offered eligible holders (not including our CEO) of qualifying stock options under the 2015 Equity Plan ("Covered Options") the right to sell up to a certain number of vested Covered Options back to us. The Offer terminated on July 3, 2019. In connection with the Offer, we purchased approximately 1.6 million Covered Options. Effective with the purchase date, the 1.6 million Covered Options were canceled, thereby removing these shares from the number of shares available for future grants under the 2015 Equity Plan. For more information regarding the Offer, see "—Stock Options—Stock Option Purchase Offer" within this footnote.

As of December 31, 2020, approximately 0.8 million shares were available for future option grants to employees and other eligible participants (other than our CEO) under the 2015 Equity Plan.

Stock Options

Stock Options Outstanding

At December 31, 2020, options to purchase approximately 21.1 million shares of our common stock were outstanding, of which approximately 9.4 million shares have been granted to our CEO and approximately

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11.7 million shares have been granted to employees and other eligible participants. These options have a ten-year contractual term from the date of grant. The exercise prices and terms of awards are determined and approved by our board of directors or a committee thereof. The exercise price associated with each award is not less than the fair market value per share of our common stock, as determined by our board of directors or a committee thereof at the time of grant.

Stock Option Vesting and Exercisability Conditions

Subject to continued employment, options held by our CEO will vest on a measurement date, which is generally defined to include a change in control, an initial public offering, or the death or disability of our CEO (herein referred to as a "Measurement Date"), all as defined and subject to the terms and conditions in the underlying option agreement with our CEO, as amended. Subject to continued employment or, in the case of a non-employee, continued service, options held by non-CEO holders as of December 31, 2020 vest in five equal installments on each of the first five anniversaries with respect to the date of grant, provided that, upon the consummation of the first Measurement Date to occur after the grant date, these options shall become fully vested and exercisable upon a change of control or the expiration of the lock-up period related to an initial public offering (or death or disability).

Unless otherwise determined by the administrator of the 2015 Equity Plan, with respect to options held by holders other than our CEO as of December 31, 2020: (i) upon an option holder's termination of services for any reason, any portion of an option that has not become vested on or prior to the termination date shall be forfeited on such date and shall not thereafter become vested or exercisable, and (ii) upon a voluntary termination by the option holder without good reason (as defined in the underlying option agreement) or an involuntary termination by the Company for cause (as defined in the underlying option agreement), any portion of an option that has become vested on or prior to the termination date shall be forfeited on such date and shall not thereafter become exercisable. However, upon a voluntary termination by the option holder with good reason or upon an involuntary termination by the Company without cause, any portion of an option that has become vested on or prior to the termination date will remain vested up through the date or dates at which those vested options become exercisable.

Prior to July 3, 2019, the vesting and exercisability of outstanding options for our CEO and the exercisability of outstanding options for all other option holders were subject to our principal stockholders' achievement of certain internal rates of return ("IRR") on investment or a multiple of invested capital. On May 23, 2019, in connection with the transactions that were consummated pursuant to the First Stock Purchase Agreement, our board of directors approved that 100% of all stock options outstanding as of July 3, 2019 (the date the transactions under the First Stock Purchase Agreement were consummated) or granted thereafter shall now become exercisable on the first Measurement Date without continued measurement of the performance metrics, provided that all options remain subject to the vesting and forfeiture terms and conditions provided within each underlying option agreement. As of July 3, 2019, there were approximately 21.4 million options outstanding, of which approximately 21.2 million were associated with continuing employees (including our CEO) and continuing service providers, and approximately 0.2 million were associated with former employees and former service providers.

In accordance with ASC 718, the approval by our board of directors represents, for accounting purposes, a modification of the original market conditions associated with each of the approximately 21.2 million outstanding options that were held by continuing employees and continuing service providers as of July 3, 2019. Accordingly, we were required to determine the estimated fair value of these options as of July 3, 2019. Since the occurrence of a Measurement Date was deemed, for accounting purposes, improbable of occurring both before and after the modification, no incremental share-based compensation expense was required to be recognized on

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the modification date. For further information on the weighted average assumptions used to estimate the fair value of the approximately 21.2 million stock option awards that were deemed, for accounting purposes, to have been modified as of July 3, 2019, see "—Fair Value of Stock Option Awards" within this footnote.

Stock Option Purchase Offer

In connection with the Offer, approximately 1.6 million Covered Options were purchased for an aggregate price of $23.2 million. Of the aggregate purchase price, $22.4 million was paid to purchase approximately 1.5 million Covered Options from continuing employees and continuing service providers and $0.8 million was paid to purchase approximately 0.1 million Covered Options from former employees and former service providers. Effective with the purchase date associated with each underlying Covered Option, the $23.2 million aggregate stock option purchase payments we made, which are recognized as a decrease in Additional paid-in capital on our consolidated balance sheet, are reported in Purchases of stock options within the financing section in our consolidated cash flow statement for the year ended December 31, 2019.

As it relates to the approximately 1.5 million Covered Options associated with continuing employees and continuing service providers,no share-based compensation expense had been recognized prior to them being purchased, since the occurrence of a Measurement Date was deemed, for accounting purposes, improbable of occurring. Therefore, effective with the purchase date associated with each of these Covered Options, we recognized $22.4 million of incremental share-based compensation expense, which is included in General, administrative and marketing in our consolidated statement of operations for the year ended December 31, 2019. The offset to this incremental share-based compensation expense amount was recognized as an increase in Additional paid-in capital on our consolidated balance sheet.

As it relates to the approximately 0.1 million Covered Options associated with former employees and former service providers, $0.1 million of share-based compensation expense had been recognized prior to them being purchased. Therefore, effective with the purchase date associated with each of these Covered Options, we recognized $0.7 million of incremental share-based compensation expense, which is included in General, administrative and marketing in our consolidated statement of operations for the year ended December 31, 2019. The offset to this incremental share-based compensation expense amount was recognized as an increase in Additional paid-in capital on our consolidated balance sheet.

Summary of Stock Option Activity

Activity associated with stock options is as follows:

	Shares	Weighted Average Exercise Price
Outstanding at December 31, 2018	23,292	$ 10.40
Granted	939	$ 22.57
Canceled - Covered Options	(1,579)	$ 10.34
Forfeited	(1,361)	$ 11.33
Outstanding at December 31, 2019	21,291	$ 10.88
Granted	443	$ 25.00
Forfeited	(615)	$ 17.05
Outstanding at December 31, 2020	21,119	$ 11.00
Exercisable as of December 31, 2020	—	$ —

At December 31, 2020, there were no options exercisable because the option exercisability provisions of the underlying stock option agreements were not met.

LIFE TIME GROUP HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Table amounts in thousands except per share data)

Fair Value of Stock Option Awards

The fair value of the options granted during the year ended December 31, 2020 was calculated using the Black-Scholes-Merton option pricing model. The fair value of the 21.2 million stock options that were deemed, for accounting purposes, to have been modified as of July 3, 2019, as well as the approximately 0.6 million stock option awards that were granted during the period from July 3, 2019 through December 31, 2019 was also calculated using the Black-Scholes-Merton option pricing model. The following weighted average assumptions were used in determining the fair value of these options:

	Year Ended December 31, 2020	Period from July 3 through December 31, 2019
Dividend yield	0.00%	0.00%
Risk-free interest rate (1)	1.58%	1.73%
Expected volatility (2)	27.60%	28.76%
Expected term of options (in years) (3)	6.1	4.7
Fair Value	$ 7.58	$ 15.40

(1) The risk-free rate is based on the U.S. treasury yields, in effect at the time of grant or modification, corresponding with the expected term of the options.
(2) Expected volatility is based on historical volatilities for a time period similar to that of the expected term and the expected term of the options.
(3) Expected term of the options is based on probability and expected timing of market events leading to option exercise.

For more information on the options that were modified during the year ended December 31, 2019, see "—Stock Option Vesting and Exercisability Conditions" within this footnote.

Share-Based Compensation Expense Associated with Stock Options

Share-based compensation expense related to stock options for the years ended December 31, 2018 and 2019 was $0.1 million and $24.2 million, respectively. No share-based compensation expense was recognized during the year ended December 31, 2020. Share-based compensation expense is included in General, administrative and marketing in our consolidated statement of operations. As of December 31, 2020, unrecognized share-based compensation expense related to stock options was approximately $318.7 million. The estimated fair value associated with each option will be recognized as share-based compensation expense if and when the related recognition conditions, for accounting purposes, are met. As it relates to the consummation of the first Measurement Date to occur after the grant date associated with each then-outstanding stock option, previously unrecognized share-based compensation expense associated with each then-outstanding stock option will be recognized immediately prior to the effective date associated with such Measurement Date, as the vesting and exercisability conditions required for expense recognition will have been met.

See Note 14, Subsequent Events for additional details related to the amendment to the 2015 Equity Plan and awards granted thereunder.

Stockholder Note Receivable

On August 27, 2018, Life Time, Inc. entered into a loan agreement with our CEO, who is also one of our stockholders, pursuant to which we loaned him $20.0 million. As security for repayment of the loan, we were granted a security interest in 5.0 million shares of our common stock which is held by our CEO. The loan bears

interest equal to the highest interest rate associated with the revolving portion of our senior secured credit facility or, if there are no outstanding revolving borrowings, the highest interest rate associated with outstanding borrowings under the term loans portion of our senior secured credit facility. The loan matures at the earlier of August 2023 or upon the occurrence of certain events, including in connection with an initial public offering or a change of control, as well as the period immediately following the officer's termination of employment.

On July 3, 2019, in connection with the execution of the First Stock Purchase Agreement and upon approval of our board of directors, we amended the loan agreement to reflect our forgiveness of an aggregate principal amount of $5.0 million. All other terms and conditions associated with the initial loan agreement remained unchanged. The principal forgiveness was accounted for as an equity transaction, whereby the Stockholder note receivable and Additional paid-in capital balances recognized on our consolidated balance sheet were each reduced by $5.0 million. The income tax benefit of approximately $1.3 million associated with the principal forgiveness was recognized as an increase in both Income tax receivable and Additional paid-in capital on our consolidated balance sheet. At both December 31, 2019 and 2020, the outstanding stockholder loan balance was $15.0 million, which is recognized as a reduction of stockholders' equity on our consolidated balance sheets. For cash flow purposes, the $20.0 million we loaned to our CEO is reported within the financing section on our consolidated statement of cash flows for the year ended December 31, 2018.

11. Commitments and Contingencies

Purchase Commitments

We contract in advance for land purchases, construction services and materials and utilities, among other things. The purchase commitments were $290.6 million and $232.6 million at December 31, 2019 and 2020, respectively.

Legal Matters

Bartell et al. v. LTF Club Operations Company, Inc

We defended a putative class action asserting that Life Time failed to honor cancellation requests and refund payments made by former members of Life Time's Ohio health clubs under membership agreements that allegedly violate the Ohio Prepaid Entertainment Contract Act ("PECA") and the Ohio Consumer Sales Practices Act ("CSPA"). The case is Laurence Bartell, et al. v. LTF Club Operations Company, Inc., Case No. 2:14-cv-401, in the United States District Court, Southern District of Ohio, Eastern Division. LTF Club Operations Company, Inc. is a wholly-owned subsidiary of Life Time, Inc.

The District Court granted final approval to the parties' settlement of this case on August 7, 2020. Under the terms of the settlement, we agreed to contribute to a settlement fund of $14.0 million from which all costs of settlement would be paid, including awards to the class, settlement administration expenses, and court-awarded service awards and attorneys' fees. Class members were allowed to claim either (1) a cash award of dues they paid to Life Time after providing notice of cancellation of their membership ("Cash Award") or (2) a membership award of a dues credit with a face value of 3 times the Cash Award toward any access membership with Life Time ("Membership Award"). The period for the class members to make this election ended on July 8, 2020. Based on the Cash Awards and Membership Awards claimed by the class members and the amount awarded for plaintiff's attorneys' fees and costs and a class representative service award, we paid $13.3 million in September 2020. Because our cost to service a membership is less than the Membership Award, the amount of our loss did not ultimately directly correspond to the total settlement amount of $14.0 million.

LIFE TIME GROUP HOLDINGS, INC. AND SUBSIDIARIES
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(Table amounts in thousands except per share data)

Life Time, Inc. et al. v. Zurich American Insurance Company

On August 19, 2020, Life Time, Inc., several of its subsidiaries, and a joint venture entity, Bloomingdale Life Time Fitness LLC (collectively, the "Life Time Parties") filed a Complaint against Zurich American Insurance Company ("Zurich") in the Fourth Judicial District of the State of Minnesota, County of Hennepin (Case No. 27-CV-20-10599) (the "Action") seeking declaratory relief and damages with respect to Zurich's failure under a property/business interruption insurance policy to provide certain coverage to the Life Time Parties related to the closure or suspension by governmental authorities of their business activities due to the spread or threat of spread of COVID-19. On March 15, 2021, certain of the Life Time Parties filed a First Amended Complaint in the Action adding claims against Zurich under a Builders' Risk policy related to the suspension of multiple construction projects. This Action is subject to many uncertainties, and the outcome of the matter is not predictable with any assurance.

Other Litigation

We are also engaged in other proceedings incidental to the normal course of business. Due to their nature, such legal proceedings involve inherent uncertainties, including but not limited to court rulings, negotiations between affected parties and governmental intervention. We establish reserves for matters that are probable and estimable in amounts we believe are adequate to cover reasonable adverse judgments. Based upon the information available to us and discussions with legal counsel, it is our opinion that the outcome of the various legal actions and claims that are incidental to our business will not have a material adverse impact on our consolidated financial position, results of operations or cash flows. Such matters are subject to many uncertainties, and the outcomes of individual matters are not predictable with assurance.

401(k) Savings and Investment Plan

We offer a 401(k) savings and investment plan (the "401(k) Plan") to substantially all full-time employees who have at least six months of service and are at least 21 years of age. We made discretionary contributions to the 401(k) Plan in the amount of $2.8 million and $4.5 million during the years ended December 31, 2018 and 2019, respectively. We did not make a discretionary contribution to the 401(k) Plan during the year ended December 31, 2020.

Letters of Credit & Posted Bonds

As of December 31, 2019 and 2020, we had $23.9 million and $22.6 million, respectively, in irrevocable standby letters of credit outstanding, which were issued primarily to municipalities, for sites under construction, as well as certain insurance carriers to guarantee payments of deductibles for various insurance programs, such as workers' compensation and commercial liability insurance. Such letters of credit are secured by the collateral under our senior secured credit facility. As of both December 31, 2019 and 2020, no amounts had been drawn on any of these irrevocable standby letters of credit.

As of December 31, 2019 and 2020, we had posted bonds totaling $58.2 million and $37.1 million, respectively, related to construction activities and operational licensing.

12. Related Party Transactions

Related Party Leases Entered Into During the Years Ended December 31, 2019 and 2020

For information on related party leases, including with respect to sale-leaseback transactions, that we entered into during the years ended December 31, 2019 and 2020, see Note 9, Leases.

LIFE TIME GROUP HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Table amounts in thousands except per share data)

Other Property Leases

In October 2003, we leased a center located within a shopping center that is owned by a general partnership in which our CEO has a 100% interest. During each of the years ended December 31, 2018, 2019 and 2020, we paid rent pursuant to this lease agreement of $0.8 million, $0.8 million and $0.5 million, respectively. The terms of the original lease were negotiated by one of our then-independent directors on behalf of our company and were reviewed and approved by a majority of our then-independent and disinterested directors. In September 2015, upon the approval of our board of directors, we exercised a renewal option associated with the original lease. In June 2016, due to the fact that the square footage of the center was expanded and upon approval of our board of directors, we entered into an amended lease agreement. Under the terms of the amended lease agreement, the lease term was extended and the minimum rental payments were adjusted to reflect the increased square footage. The current lease expires in December 2030 and includes four five-year renewal options.

During the year ended December 31, 2017, we entered into sale-leaseback transactions, associated with two of our properties, with a limited liability company that is a related party to one of our existing stockholders. Each lease expires in September 2042 and includes six five-year renewal options. During the years ended December 31, 2018, 2019 and 2020, we paid rent pursuant to these leases of $6.0 million, $6.0 million and $4.5 million, respectively.

During the year ended December 31, 2018, we entered into a sale-leaseback transaction involving one property, with a limited liability company in which our CEO owns a 33% interest. Under this agreement, we sold assets with a net book value of $21.5 million for $18.0 million, which was reduced by transaction costs of less than $0.1 million, for net cash proceeds of $17.9 million. The estimated fair value of the property at the time of sale was approximately $21.7 million. The initial lease term expires in June 2043 and includes two eight-year renewal options. During the years ended December 31, 2018, 2019 and 2020, we paid aggregate rent pursuant to this lease agreement of $0.8 million, $1.2 million and $0.8 million, respectively.

Stockholder Note Receivable

For information on the stockholder note receivable, see Note 10, Stockholders' Equity.

Arrangements with our Investors and Management Stockholders

For information on the sale of our common stock with certain of our stockholders and on the voluntary stock option purchase offer, see Note 10, Stockholders' Equity.

Related Party Secured Loan

For information on the secured loan from an investor group comprised of our stockholders or their affiliates, see Note 8, Debt.

Unsecured Notes Offering

An affiliate of one of our stockholders was one of the initial purchasers in Life Time, Inc.'s offering of the New Senior Unsecured Notes and received customary initial purchaser discounts and commissions.

Other

We are party to a consulting agreement with a company owned by the spouse of one of our former executive vice presidents. Under this agreement, the spouse's company provides us with mental health programing, services and training. We first entered into this agreement in March 2018 and pay approximately $0.2 million per year for these services.

LIFE TIME GROUP HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Table amounts in thousands except per share data)

Life Time, Inc. and an entity owned by our President and Chief Financial Officer, Mr. Bergmann, jointly own an aircraft. In connection with this joint ownership, Life Time, Inc. and Mr. Bergmann's entity entered into certain co-ownership, maintenance and personnel agreements under which the entity owned by Mr. Bergmann contributes approximately $0.1 million per year to an operations fund for the fixed costs for the aircraft. Life Time, Inc. and the entity owned by Mr. Bergmann have agreed to pay for the costs associated with their respective trips.

The daughter of our CEO currently serves as a director of real estate development for Life Time, Inc. During the years ended December 31, 2018, 2019 and 2020, we paid total compensation of approximately $0.1 million, $0.1 million and $0.2 million, respectively, for her services.

13. Executive Nonqualified Plan

During 2006, we implemented the Executive Nonqualified Excess Plan of Life Time Fitness, anon-qualified deferred compensation plan. This plan was established for the benefit of our highly compensated employees, which our plan defines as our employees whose projected compensation for the upcoming plan year would meet or exceed the IRS limit for determining highly compensated employees. This unfunded, non-qualified deferred compensation plan allows participants the ability to defer and grow income for retirement and significant expenses in addition to contributions made to our 401(k) Plan.

All highly compensated employees eligible to participate in the Executive Nonqualified Excess Plan of Life Time Fitness, including but not limited to our executives, may elect to defer up to 50% of their annual base salary and/or annual bonus earnings to be paid in any coming year. The investment choices available to participants under the non-qualified deferred compensation plan are of the same type and risk categories as those offered under our 401(k) Plan and may be modified or changed by the participant or us at any time. Distributions can be paid out as in-service payments or at retirement. Retirement benefits can be paid out as a lump sum or in annual installments over a term of up to 10 years. We made matching contributions to this plan of less than $0.1 million during the year ended December 31, 2019. We did not make a matching contribution to this plan during the year end December 31, 2020. Any contributions to this plan vest to each participant according to their years of service with us. At December 31, 2019 and 2020, $11.6 million and $11.9 million, respectively, had been deferred and is being held on behalf of the employees. These amounts are included in Other liabilities on our consolidated balance sheets.

14. Subsequent Events

We have evaluated all subsequent events through June 28, 2021 and determined that, with the exception of the debt refinancing transactions that occurred on January 22, 2021 and February 5, 2021, and the matters with respect to our 2015 Equity Plan detailed below, there have been no other such events or transactions which would have a material effect on the consolidated financial statements and therefore would require recognition or disclosure in the statements. For more information regarding the subsequent debt refinancing transactions, see Note 8, Debt.

Our board of directors approved an amendment to the 2015 Equity Plan effective on April 20, 2021, which amendment was approved by our stockholders effective on April 21, 2021. Pursuant to the amendment, the 2015 Equity Plan now provides for the issuance of up to approximately 30.6 million shares of our common stock, plus an annual increase on the first day of each calendar year beginning on January 1, 2022 and ending on and including January 1, 2025, by a number equal to 1.5% of the fully diluted shares of our common stock outstanding on the last day of the immediately preceding fiscal year; provided, that no annual increase shall occur on or after the Company (or its successor) becomes a publicly listed company.

LIFE TIME GROUP HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Table amounts in thousands except per share data)

Effective on April 28, 2021, the Company granted approximately 10 thousand restricted stock units ("RSUs") to a new director. The RSUs vest ratably over two years. Effective on May 3, 2021, the Company granted an award of 0.5 million restricted Series A Preferred Stock to our CEO that vests ratably over two years with full vesting on the date that is 180 days after an initial underwritten public offering. Effective on May 3, 2021, the Company granted the following awards under the 2015 Equity Plan, as amended:

- Approximately 0.6 million RSUs to executives that vest ratably over two years with full vesting on the date that is 180 days after an initial underwritten public offering;
- Approximately 1.1 million stock options to executives, which are 50% time-based vesting ratably over four years and 50% performance-based vesting; and
- Approximately 2.1 million stock options to employees, which vest ratably over four years.

15. Condensed Financial Information of Registrant (Parent Company Only)

Life Time Group Holdings, Inc. is a holding company with no material operations of its own that conducts substantially all of its activities through its subsidiaries. Life Time Group Holdings, Inc. has no cash and, as a result, all expenditures and obligations of the Company are allocated to and paid by its subsidiaries. Life Time, Inc. is the borrower under our senior secured credit facility and the indentures governing our Senior Secured Notes and our New Senior Unsecured Notes, the terms and conditions of which limit Life Time, Inc.'s ability to declare dividends or make any payment on equity to, directly or indirectly, fund a dividend or other distribution to Life Time Group Holdings, Inc. in connection with those borrowings. Dividends, redemptions and other payments on equity (restricted payments) are limited to those permitted under the senior secured credit facility and the indentures governing our Senior Secured Notes and New Senior Unsecured Notes. Due to the aforementioned restrictions, substantially all of the net assets of our subsidiaries are restricted. For information regarding our senior secured credit facility, Senior Secured Notes and New Senior Unsecured Notes, see Note 8, Debt.

The following condensed financial statements have been presented on a "parent-only" basis. Under a parent-only presentation, our investment in our subsidiaries is presented under the equity method of accounting. During the years ended December 31, 2018 and 2019, we recognized share-based compensation expense related to stock options of $0.1 million and $24.2 million, respectively, which is included in General, administrative and marketing expenses in our parent-only condensed statements of operations. No share-based compensation expense was recognized during the year ended December 31, 2020. A condensed statement of cash flows is not presented because Life Time Group Holdings, Inc. has no cash, and, therefore, no material operating, investing, or financing cash flow activities for years ended December 31, 2018, 2019 and 2020. The financing cash flow activities associated with the proceeds we received from the issuance of our common stock during the years ended December 31, 2019 and 2020, as well as the payments we made to purchase of stock options during the year ended December 31, 2019, were non-cash transactions for Life Time Group Holdings, Inc., as the cash inflows and outflows associated with those transactions occurred at our subsidiary, Life Time, Inc. For more information regarding these transactions, see Note 10, Stockholders' Equity.

LIFE TIME GROUP HOLDINGS, INC.
(PARENT COMPANY ONLY)
CONDENSED BALANCE SHEETS
(In thousands, except per share data)

	December 31, 2019	December 31, 2020
ASSETS		
Current assets	$ —	$ —
Noncurrent assets:		
Investment in subsidiaries	1,765,183	1,496,413
Total noncurrent assets	1,765,183	1,496,413
Total assets	$ 1,765,183	$ 1,496,413
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities	$ —	$ —
Noncurrent liabilities	—	—
Total liabilities	—	—
Stockholders' equity:		
Common stock, $0.01 par value per share, 170,000 shares authorized; 141,596 and 145,196 shares issued and outstanding, respectively	1,416	1,452
Additional paid-in capital	1,479,941	1,569,905
Retained earnings/(deficit)	283,826	(74,944)
Total stockholders' equity	1,765,183	1,496,413
Total liabilities and stockholders' equity	$ 1,765,183	$ 1,496,413

LIFE TIME GROUP HOLDINGS, INC.
(PARENT COMPANY ONLY)
CONDENSED STATEMENTS OF OPERATIONS
(In thousands)

	For the Year Ended December 31,		
	2018	2019	2020
Revenue:			
Center revenue	$ —	$ —	$ —
Other revenue	—	—	—
Total revenue	—	—	—
Operating expenses:			
Center operations	—	—	—
Rent	—	—	—
General, administrative and marketing	100	24,152	—
Depreciation and amortization	—	—	—
Other operating	—	—	—
Total operating expenses	100	24,152	—
Loss from operations	(100)	(24,152)	—
Other (expense) income:			
Interest expense, net of interest income	—	—	—
Equity in earnings of affiliate	—	—	—
Total other expense	—	—	—
Loss before income taxes	(100)	(24,152)	—
Benefit from income taxes	(29)	(7,004)	—
Net loss before equity in net income of subsidiaries	(71)	(17,148)	—
Net income (loss) of subsidiaries attributable to Life Time Group Holdings, Inc.	40,959	47,173	(360,192)
Net income (loss) attributable to Life Time Group Holdings, Inc.	$40,888	$30,025	$ (360,192)

LIFE TIME GROUP HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except per share data)
(Unaudited)

	December 31, 2020	June 30, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	$ 33,195	$ 104,200
Accounts receivable, net	4,805	6,841
Center operating supplies and inventories	36,276	38,079
Prepaid expenses and other current assets	87,231	42,252
Income tax receivable	4,192	5,069
Total current assets	165,699	196,441
Property and equipment, net	2,692,712	2,718,048
Goodwill	1,233,176	1,233,176
Operating lease right-of-use assets	1,708,597	1,750,833
Intangible assets, net	164,419	164,024
Other assets	52,955	57,141
Total assets	$ 6,017,558	$ 6,119,663
LIABILITIES, MEZZANINE EQUITY AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 54,104	$ 81,763
Construction accounts payable	39,936	55,052
Deferred revenue	42,274	41,054
Accrued expenses and other current liabilities	117,675	170,330
Current maturities of debt	139,266	31,581
Current maturities of operating lease liabilities	49,877	43,899
Total current liabilities	443,132	423,679
Long-term debt, net of current portion	2,133,330	2,337,630
Operating lease liabilities, net of current portion	1,738,393	1,783,639
Deferred income taxes	195,122	147,991
Other liabilities	26,168	25,719
Total liabilities	4,536,145	4,718,658
Commitments and contingencies (Note 10)		
Mezzanine equity:		
Series A convertible participating preferred stock, $0.01 par value per share; 12,000 shares authorized; 0 and 5,930 shares issued and outstanding, respectively	—	151,336
Stockholders' equity:		
Common stock, $0.01 par value per share; 170,000 and 200,000 shares authorized, respectively; 145,196 shares issued and outstanding	1,452	1,452
Additional paid-in capital	1,569,905	1,564,591
Stockholder note receivable	(15,000)	(15,000)
Retained deficit	(71,714)	(300,871)
Accumulated other comprehensive loss	(3,230)	(503)
Total stockholders' equity	1,481,413	1,249,669
Total liabilities, mezzanine equity and stockholders' equity	$ 6,017,558	$ 6,119,663

See notes to unaudited condensed consolidated financial statements

LIFE TIME GROUP HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)
(Unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2020	2021	2020	2021
Revenue:				
Center revenue	$ 78,847	$316,596	$ 476,570	$ 561,690
Other revenue	1,738	6,591	12,310	10,795
Total revenue	80,585	323,187	488,880	572,485
Operating expenses:				
Center operations	88,321	218,711	349,778	393,326
Rent	46,404	51,522	90,931	102,039
General, administrative and marketing	36,443	43,322	87,461	81,592
Depreciation and amortization	62,193	57,822	127,124	119,028
Other operating	16,003	8,930	22,260	15,864
Total operating expenses	249,364	380,307	677,554	711,849
Loss from operations	(168,779)	(57,120)	(188,674)	(139,364)
Other (expense) income:				
Interest expense, net of interest income	(32,072)	(40,078)	(64,757)	(136,295)
Equity in earnings of affiliate	(297)	(91)	(243)	(384)
Total other expense	(32,369)	(40,169)	(65,000)	(136,679)
Loss before income taxes	(201,148)	(97,289)	(253,674)	(276,043)
Benefit from income taxes	(47,546)	(20,933)	(71,017)	(46,886)
Net loss	$(153,602)	$ (76,356)	$ (182,657)	$ (229,157)
Loss per common share—basic and diluted	$ (1.06)	$ (0.57)	$ (1.26)	$ (1.65)
Weighted-average common shares outstanding—basic and diluted	145,196	145,196	145,078	145,196

See notes to unaudited condensed consolidated financial statements

LIFE TIME GROUP HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(In thousands)
(Unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2020	2021	2020	2021
Net loss	$(153,602)	$(76,356)	$ (182,657)	$ (229,157)
Foreign currency translation adjustments, net of tax of $0	2,835	1,565	(5,849)	2,727
Comprehensive loss	$(150,767)	$(74,791)	$ (188,506)	$ (226,430)

See notes to unaudited condensed consolidated financial statements

LIFE TIME GROUP HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In thousands)
(Unaudited)

	Common Stock		Additional Paid-in Capital	Stockholder Note Receivable	Retained Earnings	Accumulated Other Comprehensive Loss	Total Equity
	Shares	Amount					
Balance at April 1, 2020	141,196	$ 1,452	$1,569,905	$ (15,000)	$ 259,423	$ (13,336)	$1,802,444
Net loss	—	—	—	—	(153,602)	—	(153,602)
Other comprehensive income	—	—	—	—	—	2,835	2,835
Balance at June 30, 2020	141,196	$ 1,452	$1,569,905	$ (15,000)	$ 105,821	$ (10,501)	$1,651,677

	Common Stock		Additional Paid-in Capital	Stockholder Note Receivable	Retained Earnings	Accumulated Other Comprehensive Loss	Total Equity
	Shares	Amount					
Balance at January 1, 2020	141,596	$ 1,416	$1,479,941	$ (15,000)	$ 288,478	$ (4,652)	$1,750,183
Net loss	—	—	—	—	(182,657)	—	(182,657)
Other comprehensive loss	—	—	—	—	—	(5,849)	(5,849)
Common stock issuance	3,600	36	89,964	—	—	—	90,000
Balance at June 30, 2020	145,196	$ 1,452	$1,569,905	$ (15,000)	$ 105,821	$ (10,501)	$1,651,677

	Common Stock		Additional Paid-in Capital	Stockholder Note Receivable	Retained Deficit	Accumulated Other Comprehensive Loss	Total Equity
	Shares	Amount					
Balance at April 1, 2021	145,196	$ 1,452	$1,565,623	$ (15,000)	$(224,515)	$ (2,068)	$1,325,492
Net loss	—	—	—	—	(76,356)	—	(76,356)
Other comprehensive income	—	—	—	—	—	1,565	1,565
Share-based compensation	—	—	1,130	—	—	—	1,130
Settlement of accrued compensation liabilities through the issuance of share-based compensation awards	—	—	3,844	—	—	—	3,844
Dividends on preferred stock	—	—	(6,006)	—	—	—	(6,006)
Balance at June 30, 2021	145,196	$ 1,452	$1,564,591	$ (15,000)	$(300,871)	$ (503)	$1,249,669

	Common Stock		Additional Paid-in Capital	Stockholder Note Receivable	Retained Deficit	Accumulated Other Comprehensive Loss	Total Equity
	Shares	Amount					
Balance at January 1, 2021	145,196	$ 1,452	$1,569,905	$ (15,000)	$ (71,714)	$ (3,230)	$1,481,413
Net loss	—	—	—	—	(229,157)	—	(229,157)
Other comprehensive income	—	—	—	—	—	2,727	2,727
Share-based compensation	—	—	1,130	—	—	—	1,130
Settlement of accrued compensation liabilities through the issuance of share-based compensation awards	—	—	3,844	—	—	—	3,844
Dividends on preferred stock	—	—	(10,288)	—	—	—	(10,288)
Balance at June 30, 2021	145,196	$ 1,452	$1,564,591	$ (15,000)	$(300,871)	$ (503)	$1,249,669

See notes to unaudited condensed consolidated financial statements.

LIFE TIME GROUP HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	For the Six Months Ended June 30,	
	2020	2021
Cash flows from operating activities:		
Net loss	$(182,657)	$ (229,157)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	127,124	119,028
Deferred income taxes	(40,820)	(47,132)
Non-cash rent expense	26,307	6,219
Impairment charges associated with long-lived assets	7,014	1,775
(Gain) loss on disposal of property and equipment, net	(2,406)	1,110
Loss on debt extinguishment	—	40,993
Write-off of discounts and debt issuance costs	—	18,325
Amortization of discounts and debt issuance costs	5,896	5,127
Share-based compensation	—	2,881
Changes in operating assets and liabilities	15,940	71,259
Other	(774)	(3,467)
Net cash used in operating activities	(44,376)	(13,039)
Cash flows from investing activities:		
Capital expenditures	(168,292)	(121,973)
Proceeds from sale-leaseback transactions	122,883	33,933
Proceeds from the sale of land held for sale	22,971	—
Other	2,899	(1,678)
Net cash used in investing activities	(19,539)	(89,718)
Cash flows from financing activities:		
Proceeds from borrowings	116,583	1,907,577
Repayments of debt	(17,934)	(1,594,439)
Proceeds from senior secured credit facility	429,000	15,000
Repayments of senior secured credit facility	(510,902)	(109,000)
Repayments of finance lease liabilities	(555)	(750)
Increase in debt discounts and issuance costs	—	(44,676)
Proceeds from the issuance of common stock	90,000	—
Net cash provided by financing activities	106,192	173,712
Effect of exchange rates on cash and cash equivalents	(258)	50
Increase in cash and cash equivalents	42,019	71,005
Cash and cash equivalents—beginning of period	47,951	33,195
Cash and cash equivalents—end of period	$ 89,970	$ 104,200

See notes to unaudited condensed consolidated financial statements.

LIFE TIME GROUP HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Table amounts in thousands except per share data)

1. Nature of Business and Basis of Consolidation and Presentation

Nature of Business

Life Time Group Holdings, Inc. (collectively with its direct and indirect subsidiaries, "Life Time," "We," "Our," or "the Company") is a holding company incorporated in the state of Delaware. Life Time Group Holdings, Inc. changed its name from LTF Holdings, Inc. effective on June 21, 2021. We are primarily engaged in designing, building, and operating distinctive and large, multi-use sports and athletic, professional fitness, family recreation and spa centers in a resort-like environment, principally in residential locations of major metropolitan areas in the United States and Canada. As of June 30, 2021, we operated 153 centers in 29 states and one Canadian province.

COVID-19 Impact

On March 11, 2020, the World Health Organization declared the outbreak of a novel coronavirus("COVID-19") as a pandemic and recommended containment and mitigation measures worldwide. On March 13, 2020, the United States declared a National Public Health Emergency with respect to COVID-19. On March 16, 2020, we closed all of our centers based on orders and advisories from federal, state and local governmental authorities regarding COVID-19, during which time we did not draft or collect monthly access membership dues or recurring product charges from our members. We re-opened our first center on May 8, 2020 and continued tore-open our centers as state and local governmental authorities permitted.

Because all of our centers are currently open, we are collecting monthly access membership dues and recurring product charges from active members associated with all of our centers. Whether we will need to close any of our centers and the duration of any such future center closures that may occur, remains uncertain and is dependent on future developments that cannot be accurately predicted at this time.

2. Summary of Significant Accounting Policies

Basis of Presentation

The unaudited condensed consolidated financial statements include the accounts of Life Time Group Holdings, Inc. and our wholly owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States (''GAAP''), which requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. In recording transactions and balances resulting from business operations, we use estimates based on the best information available. We revise the recorded estimates when better information is available, facts change or we can determine actual amounts. These revisions can affect our consolidated operating results. All adjustments (consisting of normal recurring adjustments) considered necessary to fairly present our consolidated financial position, results of operations and cash flows for the periods have been included.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted. A summary of our significant accounting policies is included in Note 2 to our annual consolidated financial statements.

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Recently Adopted Accounting Pronouncements

In August 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU")2020-06, Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40) ("ASU 2020-06") to simplify accounting for certain financial instruments. ASU 2020-06 eliminates the current models that require separation of beneficial conversion and cash conversion features from convertible instruments and simplifies the derivative scope exception guidance pertaining to equity classification of contracts in an entity's own equity. The new standard also introduces additional disclosures for convertible debt and freestanding instruments that are indexed to and settled in an entity's own equity. ASU 2020-06 also amends the diluted earnings per share guidance, including the requirement to use theif-converted method for all convertible instruments. ASU 2020-06 is effective January 1, 2022 and should be applied on a full or modified retrospective basis, with early adoption permitted beginning on January 1, 2021. We adopted ASU 2020-06 effective January 1, 2021. The adoption of ASU2020-06 did not have a material impact on our condensed consolidated financial statements.

Segment Reporting

Operating segments are defined as components of an entity for which separate financial information is available and that is regularly reviewed by the Chief Operating Decision Maker ("CODM") in deciding how to allocate resources to an individual segment and in assessing performance. The Company's CODM is our Founder, Chairman and Chief Executive Officer ("CEO"). Our CODM assesses financial performance and allocates resources based on the consolidated financial results at the total entity level. Accordingly, we have determined that we have one operating segment and one reportable segment.

Fair Value Measurements

The accounting guidance establishes a framework for measuring fair value and expanded disclosures about fair value measurements. The guidance applies to all assets and liabilities that are measured and reported on a fair value basis. This enables the reader of the financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. The guidance requires that each asset and liability carried at fair value be classified into one of the following categories:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

The carrying amounts related to cash and cash equivalents, accounts receivable, income tax receivable, accounts payable and accrued liabilities approximate fair value.

Fair Value Measurements on a Recurring Basis. We had no remeasurements of such assets or liabilities to fair value during either of the three or six months ended June 30, 2020 and 2021.

Financial Assets and Liabilities. At both December 31, 2020 and June 30, 2021, the gross carrying amount of our outstanding debt approximates fair value. The fair value of our debt is based on the amount of future cash flows discounted using rates we would currently be able to realize for similar instruments of comparable maturity. If our long-term debt were recorded at fair value, it would be classified as Level 2 in the fair value hierarchy. For more information regarding our debt, see Note 6, Debt.

LIFE TIME GROUP HOLDINGS, INC. AND SUBSIDIARIES
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Fair Value Measurements on a Nonrecurring Basis. Assets and liabilities that are measured at fair value on a nonrecurring basis primarily relate to our long-lived assets, goodwill and intangible assets, which are remeasured when the derived fair value is below carrying value on our condensed consolidated balance sheets. For these assets, we do not periodically adjust carrying value to fair value except in the event of impairment. If we determine that impairment has occurred, the carrying value of the asset would be reduced to fair value and the difference would be recorded as a loss within operating income in our condensed consolidated statements of operations.

During both the three and six months ended June 30, 2020 and 2021, we determined that certain projects were no longer deemed viable for construction, and that the previously-capitalized site development costs associated with these projects were impaired. Accordingly, as it relates to these long-lived assets, we recognized impairment charges of $6.8 million and $0.9 million for the three months ended June 30, 2020 and 2021, respectively, and we recognized impairment charges of $7.0 million and $1.8 million for the six months ended June 30, 2020 and 2021, respectively.

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consisted of the following:

	December 31, 2020	June 30, 2021
Property held for sale	$ 49,686	$ 6,184
Construction contract receivables	12,398	6,665
Deferred membership origination costs	7,212	5,313
Prepaid expenses	17,935	24,090
Prepaid expenses and other current assets	$ 87,231	$42,252

Deferred Offering Costs. Prepaid expenses and other current assets at June 30, 2021 include deferred offering costs totaling approximately $0.8 million, all of which were incurred during the six months ended June 30, 2021. These deferred offering costs primarily consist of legal, accounting and other fees relating to the Company's potential initial public offering ("IPO"). In the event the IPO is consummated, these deferred offering costs will be netted against the IPO proceeds and recognized as a reduction in Additional paid-in capital on our condensed consolidated balance sheet. In the event the IPO is not consummated, the then existing deferred offering costs balance will be expensed in the period in which the determination has been made that the IPO will not be consummated.

LIFE TIME GROUP HOLDINGS, INC. AND SUBSIDIARIES
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Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following:

	December 31, 2020	June 30, 2021
Real estate taxes	$ 31,015	$ 28,865
Accrued interest	15,010	44,092
Payroll liabilities	17,136	26,754
Utilities	5,379	6,904
Self-insurance accruals	22,444	25,057
Corporate accruals	24,123	24,257
Dividends payable	—	10,288
Current maturities of finance lease liabilities	1,171	1,427
Other	1,397	2,686
Accrued expenses and other current liabilities	$ 117,675	$170,330

Loss per Share

Basic loss per share is computed by dividing loss available to common stockholders by the weighted average number of common shares outstanding during the period. The numerator in the diluted loss per share calculation is derived by adding the effect of assumed common stock conversions to loss available to common stockholders. The denominator in the diluted loss per share calculation is derived by adding dilutive potential common shares to the weighted average number of common shares outstanding during the period. Potentially dilutive securities that are subject to performance or market conditions are considered contingently issuable shares for purposes of calculating diluted loss per share. Accordingly, these contingently issuable shares are excluded from the computation of diluted loss per share until the performance or market conditions have been met. Other potentially dilutive securities that do not involve contingently issuable shares are also excluded from the computation of diluted loss per share if their effect is antidilutive.

For both the three and six months ended June 30, 2020 and 2021, our potentially dilutive securities include stock options, all of which are subject to performance conditions that were not met as of the end of each respective period. Accordingly, the contingently issuable shares associated with our stock options are excluded from the computation of diluted loss per share for both the three and six months ended June 30, 2020 and 2021. For both the three and six months ended June 30, 2021, our potentially dilutive securities also include unvested restricted stock units, outstanding shares of Series A convertible participating preferred stock (“Series A Preferred Stock”) and unvested restricted Series A Preferred Stock. Due to the net loss that we recognized during both the three and six months ended June 30, 2021, the potentially dilutive common shares associated with our unvested restricted stock units, outstanding shares of Series A Preferred Stock and unvested restricted Series A Preferred Stock were determined to be antidilutive and, therefore, are excluded from the computation of diluted loss per share for both the three and six months ended June 30, 2021.

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The following table sets forth the calculation of basic and diluted loss per share for both the three and six months ended June 30, 2020 and 2021:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2021	2020	2021
Net loss	$ (153,602)	$ (76,356)	$(182,657)	$(229,157)
Dividends accrued on Series A Preferred Stock	—	(6,006)	—	(10,288)
Loss available to common stockholders	$ (153,602)	$ (82,362)	$(182,657)	$(239,445)
Weighted average common shares outstanding—basic and diluted	145,196	145,196	145,078	145,196
Loss per share—basic and diluted	$ (1.06)	$ (0.57)	$ (1.26)	$ (1.65)

The following is a summary of potential common shares that were excluded from the computation of diluted loss per share for both the three and six months ended June 30, 2020 and 2021:

	Three Months Ended March 31,		Six Months Ended June 30,	
	2020	2021	2020	2021
Stock options	21,485	24,213	21,485	24,213
Unvested restricted stock units	—	610	—	610
Outstanding shares of Series A Preferred Stock	—	5,430	—	5,430
Unvested restricted Series A Preferred Stock	—	500	—	500
Potential common shares excluded from diluted loss per share	21,485	30,753	21,485	30,753

For more information regarding our outstanding Series A Preferred Stock and unvested restricted Series A Preferred Stock, see Note 8, Mezzanine Equity and Note 9, Stockholders' Equity. For more information regarding our stock options and unvested restricted stock units, see Note 9, Stockholders' Equity.

Subsequent Events

We have evaluated all subsequent events through August 26, 2021 and, except for cancellation and discharge of the stockholder note receivable noted below, for which the date is September 13, 2021, there have been no events or transactions which would have a material effect on the condensed consolidated financial statements and therefore would require recognition or disclosure in the statements.

During August 2021, Life Time, Inc. terminated the amended loan agreement with our CEO, which resulted in the cancellation and complete discharge of the then outstanding principal balance of $15.0 million. During the third quarter of 2021, the discharge of the loan will be accounted for as an equity transaction, whereby both the stockholder note receivable and Additional paid-in capital balances recognized on our consolidated balance sheet will be reduced by $15.0 million.

LIFE TIME GROUP HOLDINGS, INC. AND SUBSIDIARIES
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3. Supplemental Cash Flow Information

Decreases (increases) in operating assets and increases (decreases) in operating liabilities are as follows:

	Six Months Ended June 30,	
	2020	2021
Accounts receivable	$ (2,396)	$ (2,119)
Center operating supplies and inventories	3,559	(1,780)
Prepaid expenses and other current assets	3,482	(3,763)
Income tax receivable	(15,736)	(876)
Other assets	2,933	1,434
Accounts payable	18,323	27,389
Accrued expenses and other current liabilities	(18,676)	52,936
Deferred revenue	11,088	(2,087)
Other liabilities	13,363	125
Changes in operating assets and liabilities	$ 15,940	$ 71,259

Additional supplemental cash flow information is as follows:

	Six Months Ended June 30,	
	2020	2021
Net cash (received from income tax refunds, net of taxes paid) paid for income taxes, net of refunds received	$(14,757)	$ 1,112
Cash payments for interest, net of capitalized interest	59,295	42,302
Capitalized interest	2,859	1,726

See Note 7, Leases for supplemental cash flow information associated with our lease arrangements for both the three and six months ended June 30, 2020 and 2021.

4. Goodwill and Intangibles

The goodwill balance was $1,233.2 million at December 31, 2020 and June 30, 2021.

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Intangible assets consisted of the following:

	December 31, 2020		
	Gross	Accumulated Amortization	Net
Intangible Assets:			
Trade name	$163,000	$ —	$163,000
Member relationships	62,100	(62,100)	—
Other	5,252	(3,833)	1,419
Total intangible assets	$230,352	$ (65,933)	$164,419

	June 30, 2021		
	Gross	Accumulated Amortization	Net
Intangible Assets:			
Trade name	$163,000	$ —	$163,000
Member relationships	62,100	(62,100)	—
Other	5,252	(4,228)	1,024
Total intangible assets	$230,352	$ (66,328)	$164,024

Amortization expense associated with intangible assets for the three months ended June 30, 2020 and 2021 was $1.5 million and $0.2 million, respectively, and was $3.4 million and $0.4 million for the six months ended June 30, 2020 and 2021, respectively. Amortization expense associated with intangible assets is included in Depreciation and amortization in our condensed consolidated statements of operations.

5. Revenue

Revenue associated with our membership dues, enrollment fees, and certain services from our in-center businesses is recognized over time as earned. Revenue associated with products and services offered in our cafes and spas, as well as through e-commerce, is recognized at a point in time. The following is a summary of revenue, by major revenue stream, that we recognized during the three and six months ended June 30, 2020 and 2021:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2021	2020	2021
Membership dues and enrollment fees	$ 57,851	$ 217,244	$ 320,539	$ 392,551
In-center revenue	20,996	99,352	156,031	169,139
Total center revenue	78,847	316,596	476,570	561,690
Other revenue	1,738	6,591	12,310	10,795
Total revenue	$ 80,585	$ 323,187	$ 488,880	$ 572,485

LIFE TIME GROUP HOLDINGS, INC. AND SUBSIDIARIES
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The timing associated with the revenue we recognized during the three months ended June 30, 2020 and 2021 is as follows:

	For the Three Months Ended June 30, 2020			For the Three Months Ended June 30, 2021		
	Center Revenue	Other Revenue	Total Revenue	Center Revenue	Other Revenue	Total Revenue
Goods and services transferred over time	$67,066	$ 1,738	$ 68,804	$ 272,971	$ 6,591	$ 279,562
Goods and services transferred at a point in time	11,781	—	11,781	43,625	—	43,625
Total Revenue	$78,847	$ 1,738	$ 80,585	$ 316,596	$ 6,591	$ 323,187

The timing associated with the revenue we recognized during the six months ended June 30, 2020 and 2021 is as follows:

	For the Six Months Ended June 30, 2020			For the Six Months Ended June 30, 2021		
	Center Revenue	Other Revenue	Total Revenue	Center Revenue	Other Revenue	Total Revenue
Goods and services transferred over time	$ 416,829	$ 12,310	$ 429,139	$ 489,074	$ 10,795	$ 499,869
Goods and services transferred at a point in time	59,741	—	59,741	72,616	—	72,616
Total Revenue	$ 476,570	$ 12,310	$ 488,880	$ 561,690	$ 10,795	$ 572,485

Contract liabilities represent payments or consideration received in advance for goods or services that the Company has not yet transferred to the customer. Contract liabilities consist primarily of deferred revenue as a result of fees collected in advance for membership dues, enrollment fees, personal training, and other center services offerings, as well as our media and athletic events. Total contract liabilities at June 30, 2020 and 2021 were $65.1 million and $44.0 million, respectively.

Contract liabilities that will be recognized within one year are classified as current liabilities and are included in Deferred revenue in our condensed consolidated balance sheets, the balance of which was $59.1 million and $41.1 million at June 30, 2020 and 2021, respectively. These balances primarily consist of prepaid membership dues, personal training and other in-center services, and enrollment fees. The $18.0 million decrease in the balance at June 30, 2021 compared to the balance at June 30, 2020 was primarily driven by the usage of membership dues credits that we gave to members during 2020 as a result of center closures. Also, deferred revenue associated with enrollment fees and center services offerings decreased as a result of our center closures in 2020.

Contract liabilities that will be recognized in a future period greater than one year are classified as long-term liabilities and are included in Other liabilities in our condensed consolidated balance sheets, the balance of which was $6.0 million and $2.9 million at June 30, 2020 and 2021, respectively. These balances primarily consist of deferred enrollment fees. The $3.1 million decrease in the balance at June 30, 2021 compared to the balance at June 30, 2020 was primarily driven by our center closures during 2020.

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6. Debt

Debt consisted of the following:

	December 31, 2020	June 30, 2021
Term Loan Facility, maturing December 2024	$ —	$ 845,750
Prior Term Loan Facility, retired January 2021	1,471,584	—
Prior Revolving Credit Facility, retired January 2021	94,000	—
Secured Notes, maturing January 2026	—	925,000
Unsecured Notes, maturing April 2026	—	475,000
2023 Notes, retired February 2021	450,000	—
Secured loan—related parties, retired January 2021	101,503	—
Mortgage notes, various maturities (1)	167,872	156,844
Other debt	4,289	4,289
Fair value adjustment	2,469	2,143
Total debt	2,291,717	2,409,026
Less unamortized debt discounts and issuance costs	(19,121)	(39,815)
Total debt less unamortized issuance costs	2,272,596	2,369,211
Less current maturities	(139,266)	(31,581)
Long-term debt, less current maturities	$ 2,133,330	$ 2,337,630

(1) Mortgage notes collateralized by certain related real estate and buildings, due through 2027 at a weighted average interest rate of 4.68% and 4.69% at December 31, 2020 and June 30, 2021, respectively.

Refinancing Transactions

During the six months ended June 30, 2021, Life Time, Inc., an indirect, wholly-owned subsidiary of Life Time Group Holdings, Inc., as the borrower and issuer, as applicable, together with certain other wholly-owned subsidiaries: (i) refinanced in full the then outstanding balances associated with our previous term loan facility (the "Prior Term Loan Facility") and our prior revolving credit facility (the "Prior Revolving Credit Facility") through net cash proceeds Life Time, Inc. received from a new term loan facility (the "Term Loan Facility") that matures in December 2024 as well as the issuance of senior secured notes (the "Secured Notes") that mature in January 2026; (ii) refinanced in full our previous senior unsecured notes (the "2023 Notes") through proceeds Life Time, Inc. received from the issuance of new senior unsecured notes (the "Unsecured Notes") that mature in April 2026; and (iii) converted our then existing related party secured loan into Series A Preferred Stock.

Senior Secured Credit Facility

In June 2015, Life Time, Inc. and certain of our other wholly-owned subsidiaries entered into a senior secured credit facility with a group of lenders led by Deutsche Bank AG as the administrative agent. On January 22, 2021, Life Time, Inc. and certain of our other wholly-owned subsidiaries entered into an eighth amendment to the credit agreement governing our senior secured credit agreement (the "Amended Senior Secured Credit Facility"). Pursuant to the Amended Senior Secured Credit Facility, Life Time, Inc. and such other subsidiaries: (i) entered into the Term Loan Facility and incurred new term loans in an aggregate principal amount of $850.0 million; (ii) paid off the then outstanding balances associated with the Prior Term Loan Facility and the Prior Revolving Credit Facility, and (iii) extended the maturity of $325.2 million of the $357.9 million Prior Revolving Credit Facility to September 2024 (the "Revolving Credit Facility").

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Upon the exercise of an accordion feature and subject to certain conditions, borrowings under the Amended Senior Secured Credit Facility may be increased up to an additional $400.0 million (plus additional amounts that may be added upon the satisfaction of certain financial tests) subject, in certain cases, to meeting a first lien net leverage ratio. Our ability to increase our borrowings under the Amended Senior Secured Credit Facility using this accordion feature is restricted during the Covenant Modification Period (as defined in "—Debt Covenants" below). The Amended Senior Secured Credit Facility is secured by a first priority lien (on a pari-passu basis with the Secured Notes described below) on substantially all of our assets.

The net cash proceeds Life Time, Inc. received under the Term Loan Facility, as well as from the Secured Notes, were used to: (i) refinance in full the then outstanding balances associated with the Prior Term Loan Facility and the Prior Revolving Credit Facility (details of which are described under "—Term Loan Facility" and "—Revolving Credit Facility," respectively); (ii) pay debt issuance and original issue discount costs associated with each of these financing transactions (details of which are described in "—Debt Discounts and Issuance Costs" below); and (iii) strengthen our balance sheet by adding to our cash position.

Term Loan Facility

At both December 31, 2020 and January 22, 2021 (the effective date of the refinancing), the Prior Term Loan Facility balance was $1,471.6 million. Under the Term Loan Facility, Life Time, Inc. incurred new term loans in an aggregate principal amount of $850.0 million, of which $507.6 million represents cash proceeds received and $342.4 million represents the cashless portion of the Prior Term Loan Facility that was rolled over into the Term Loan Facility. On January 22, 2021, we used the net cash proceeds received from the Term Loan Facility, as well as a portion of the net proceeds received from the Secured Notes, to pay off the remaining $1,129.2 million Prior Term Loan Facility balance.

The $850.0 million Term Loan Facility amortizes at 0.25% quarterly, resulting in mandatory quarterly principal repayments of approximately $2.1 million, and matures in December 2024. At June 30, 2021, the Term Loan Facility loan balance was $845.8 million, with interest due at intervals ranging from 30 to 180 days at interest rates ranging from the London Interbank Offered Rate ("LIBOR") plus 4.75% or base rate plus 3.75%, in either case subject to a 1.00% rate floor.

Revolving Credit Facility

The Prior Revolving Credit Facility provided for a $357.9 million revolver. At December 31, 2020 and January 22, 2021 (the effective date of the refinancing), the Revolving Credit Facility balance was $94.0 million and $109.0 million, respectively. Under the Revolving Credit Facility, we extended the maturity of $325.2 million of the $357.9 million revolver to September 2024. The remaining $32.7 million non-extended portion of our Revolving Credit Facility matures in August 2022. On January 22, 2021, we used a portion of the net proceeds we received from the Senior Secured Notes to pay off the then outstanding $109.0 million Prior Revolving Credit Facility balance.

At June 30, 2021, there were no outstanding borrowings on the Revolving Credit Facility and there were $40.8 million of outstanding letters of credit, resulting in total revolver availability, subject to a $100.0 million minimum liquidity requirement (see "—Debt Covenants" below), of $217.1 million, of which $184.4 million was available at intervals ranging from 30 to 180 days at interest rates ranging from LIBOR plus 4.25% or base rate plus 3.25%, while interest on the remaining $32.7 million was available at intervals ranging from 30 to 180 days at LIBOR plus 3.00% or base rate plus 2.00%.

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The weighted average interest rate and debt outstanding under the Revolving Credit Facility for the six months ended June 30, 2021 was 3.22% and $12.9 million, respectively.

Secured Notes

On January 22, 2021, Life Time, Inc. issued Secured Notes in an aggregate principal amount of $925.0 million. These notes mature in January 2026 and interest only payments are due semi-annually in arrears at 5.75%. Life Time, Inc. has the option to call the Secured Notes, in whole or in part, on one or more occasions, beginning on January 15, 2023, subject to the payment of a redemption price that includes a call premium that varies depending on the year of redemption. In addition, at any time prior to January 15, 2023, Life Time, Inc. may redeem up to 40% of the aggregate principal amount of the Secured Notes outstanding with the net proceeds of certain equity offerings by us at a redemption price equal to 105.75% of the principal amount of the Secured Notes, plus accrued and unpaid interest, if any, to, but not including, the redemption date. The Secured Notes and the related guarantees are our senior secured obligations and are secured on a first-priority basis by security interests in substantially all of our assets. As of June 30, 2021, $925.0 million remained outstanding on the Secured Notes.

Unsecured Notes

In June 2015, Life Time, Inc. issued the 2023 Notes in the original principal amount of $450.0 million, which were scheduled to mature in June 2023. At both December 31, 2020 and February 5, 2021, $450.0 million remained outstanding on the notes. On February 5, 2021 Life Time, Inc. refinanced the 2023 Notes through the issuance by Life Time, Inc. of the Unsecured Notes in the original principal amount of $475.0 million. The Unsecured Notes mature in April 2026 and interest only payments are due semi-annually in arrears at 8.00%. The proceeds from the Unsecured Notes were used to: (i) redeem in full the then outstanding 2023 Notes balance of $450.0 million and satisfy and discharge our obligations thereunder; (ii) pay debt issuance costs associated with the issuance of the Unsecured Notes (details of which are described in "—Debt Discounts and Issuance Costs" below); and (iii) strengthen our balance sheet by adding to our cash position.

Life Time, Inc. has the option to redeem the Unsecured Notes, in whole or in part, on one or more occasions, beginning on February 1, 2023, subject to the payment of a redemption price that includes a call premium that varies depending on the year of redemption. In addition, at any time prior to February 1, 2023, Life Time, Inc. may redeem up to 40% of the aggregate principal amount of the Unsecured Notes outstanding with the net proceeds of certain equity offerings by us at a redemption price equal to 108.00% of the principal amount of the Unsecured Notes, plus accrued and unpaid interest, if any, to, but not including, the redemption date. The Unsecured Notes and the related guarantees are our general senior unsecured obligations and will rank equally in right of payment with all of our existing and future senior indebtedness without giving effect to collateral arrangements. As of June 30, 2021, $475.0 million remained outstanding on the Unsecured Notes.

Secured Loan—Related Parties

On June 24, 2020, we closed on an approximate $101.5 million secured loan (the "Related Party Secured Loan") from an investor group that is comprised solely of our stockholders or their affiliates. The Related Party Secured Loan was scheduled to mature in June 2021. During the six months ended June 30, 2021, interest expense of approximately $0.7 million was recognized on this secured loan.

On January 11, 2021, Life Time Group Holdings, Inc. and certain of its subsidiaries and the investor group associated with the Related Party Secured Loan (or their assignees) entered into a contribution agreement (the

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"Contribution Agreement") pursuant to which we converted the total amount of outstanding principal and accrued interest (up though and including January 22, 2021) under the Related Party Secured Loan into Series A Preferred Stock. Effective January 22, 2021, the total outstanding principal and accrued interest balance of approximately $108.6 million was conveyed by the investor group to us and we issued, on a dollar-for-dollar basis, to the investor group approximately 5.4 million shares of Series A Preferred Stock with an estimated fair value of $149.6 million. For accounting purposes, because the fair value of the Series A Preferred Stock that was issued exceeded the carrying value of the outstanding principal and accrued interest balance associated with the Related Party Secured Loan that was extinguished, we recognized a $41.0 million debt extinguishment loss, which is included in Interest expense, net of interest income in our condensed consolidated statement of operations for the six months ended June 30, 2021. For more information regarding the Series A Preferred Stock that was issued in connection with this transaction, see Note 8, Mezzanine Equity.

Debt Discounts and Issuance Costs

In connection with the Prior Term Loan Facility, the 2023 Notes and the Related Party Secured Loan, we had incurred debt discounts and issuance costs totaling $78.6 million. At December 31, 2020, unamortized debt discounts and issuance costs of $19.1 million are included in Long-term debt, net of current portion on our December 31, 2020 condensed consolidated balance sheet. In connection with the extinguishment of these debt instruments during the six months ended June 30, 2021, previously unamortized debt discounts and issuance costs were written off. Accordingly, as it relates to these extinguished debt instruments, we recognized $18.3 million of debt discount and issuance cost write-offs during the six months ended June 30, 2021, which are included in Interest expense, net of interest income in our condensed consolidated statement of operations for the six months ended June 30, 2021.

In connection with the Term Loan Facility, Secured Notes and Unsecured Notes, we incurred debt discounts and issuance costs totaling approximately $43.9 million during the six months ended June 30, 2021. In our condensed consolidated balance sheets, we recognize and present unamortized debt discounts and issuance costs associated with non-revolving debt as a deduction from the face amount of related indebtedness. Accordingly, as it relates to these debt instruments, unamortized debt discounts and issuance costs of $39.8 million are included in Long-term debt, net of current portion on our June 30, 2021 condensed consolidated balance sheet.

In connection with both the Revolving Credit Facility and the Prior Revolving Credit Facility, we have incurred total debt issuance costs of $7.4 million, of which $0.8 million were incurred during the six months ended June 30, 2021. As of the January 22, 2021 effective date associated with the Amended Senior Secured Credit Facility, the borrowing capacity (i.e., the product of the remaining term and the maximum available credit) associated with the Revolving Credit Facility was greater than the borrowing capacity associated with the Prior Revolving Credit Facility. Accordingly, the debt issuance costs incurred in connection with the Revolving Credit Facility, as well as the unamortized portion of the debt issuance costs associated with the Prior Revolving Credit Facility, will be amortized over the term of the Revolving Credit Facility. We recognize and present unamortized issuance costs associated with revolving debt arrangements as an asset. Accordingly, unamortized revolver-related debt issuance costs of $1.3 million and $1.8 million, respectively, are included in Other assets on our condensed consolidated balance sheets at December 31, 2020 and June 30, 2021, respectively.

Debt Covenants

We are required to comply with certain affirmative and restrictive covenants under our Amended Senior Secured Credit Facility, Secured Notes and Unsecured Notes. We are also required to comply with a first lien net leverage ratio covenant under the revolving portion of our Amended Senior Secured Credit Facility. However, our

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Amended Senior Secured Credit Facility includes a covenant modification period (the "Covenant Modification Period") ending on the earlier of (i) January 1, 2022 or (ii) the date we provide notice of our intention to terminate the Covenant Modification Period. During the Covenant Modification Period, we will not be obligated to comply with the first lien net leverage ratio covenant; however, we will be required to maintain a minimum liquidity balance of $100.0 million, which will be tested monthly.

Effective as of the end of the first fiscal quarter following the Covenant Modification Period and continuing throughout the remaining term of our Amended Senior Secured Credit Facility, we will be required to maintain a first lien net leverage ratio, if 30% or more of the Revolving Credit Facility commitments are outstanding shortly after the end of any fiscal quarter (excluding all cash collateralized undrawn letters of credit and other undrawn letters of credit up to $20.0 million). During the first three quarterly test periods following the Covenant Modification Period, certain financial measures used in the calculation of the first lien net leverage ratio will be calculated on a pro forma basis by annualizing the respective financial measures recognized during those test periods.

Future Maturities of Long-Term Debt

Aggregate annual future maturities of long-term debt, excluding unamortized discounts, issuance costs and fair value adjustments, at June 30, 2021 were as follows:

July 2021 through June 2022	$ 31,581
July 2022 through June 2023	30,340
July 2023 through June 2024	73,463
July 2024 through June 2025	832,813
July 2025 through June 2026	1,413,138
Thereafter	25,548
Total future maturities of long-term debt	$ 2,406,883

7. Leases

Lease Cost

Lease cost included in our condensed consolidated statements of operations for the three months ended June 30, 2020 and 2021 consisted of the following:

	Three Months Ended June 30,		Classification in Condensed Consolidated Statements of Operations
	2020	2021	
Lease cost:			
Operating lease cost	$ 46,078	$ 50,185	Rent
Short-term lease cost	280	239	Rent
Variable lease cost	46	1,098	Rent
Finance lease cost:			
Amortization of right-of-use assets	648	375	Depreciation and amortization
Interest on lease liabilities	48	47	Interest expense, net of interest income
Total lease cost	$ 47,100	$ 51,944	

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Lease cost included in our condensed consolidated statements of operations for the six months ended June 30, 2020 and 2021 consisted of the following:

	Six Months Ended June 30,		Classification in Condensed Consolidated Statements of Operations
	2020	2021	
Lease cost:			
Operating lease cost	$ 90,116	$ 99,488	Rent
Short-term lease cost	590	466	Rent
Variable lease cost	225	2,085	Rent
Finance lease cost:			
Amortization of right-of-use assets	1,273	739	Depreciation and amortization
Interest on lease liabilities	100	98	Interest expense, net of interest income
Total lease cost	$ 92,304	$ 102,876	

Operating and Finance Lease Right-of-Use Assets and Lease Liabilities

Operating and finance lease right-of-use assets and lease liabilities were as follows:

	December 31, 2020	June 30, 2021	Classification on Condensed Consolidated Balance Sheets
Lease right-of-use assets:			
Operating leases	$ 1,708,597	$ 1,750,833	Operating lease right-of-use assets
Finance leases (1)	2,295	2,667	Other assets
Total lease right-of-use assets	$ 1,710,892	$ 1,753,500	
Lease liabilities:			
Current			
Operating leases	$ 49,877	$ 43,899	Current maturities of operating lease liabilities
Finance leases	1,171	1,427	Accrued expenses and other current liabilities
Noncurrent			
Operating leases	1,738,393	1,783,639	Operating lease liabilities, net of current portion
Finance leases	1,202	1,308	Other liabilities
Total lease liabilities	$ 1,790,643	$ 1,830,273	

(1) Finance lease right-of-use assets were reported net of accumulated amortization of $1.2 million and $1.9 million at December 31, 2020 and June 30, 2021, respectively.

Operating Lease Right-of-Use Assets and Liabilities Associated with Unrelated Third Party Leases

In connection with leases with unrelated third parties that commenced during the six months ended June 30, 2021, we recognized operating lease right-of-use assets and lease liabilities of $76.1 million and $66.4 million, respectively, on our condensed consolidated balance sheet. In connection with modified leases that were

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remeasured during the six months ended June 30, 2021, we recognized a net decrease in operating lease right-of-use assets and lease liabilities, each of which totaled $5.7 million, on our condensed consolidated balance sheet.

Finance Lease Right-of-Use Assets and Liabilities Associated with Unrelated Third Party Leases

In connection with leases with unrelated third parties that commenced during the six months ended June 30, 2021, we recognized finance lease right-of-use assets and lease liabilities, each of which totaled $1.1 million, on our condensed consolidated balance sheet.

Remaining Lease Terms and Discount Rates

The weighted-average remaining lease terms and discount rates associated with our operating and finance lease liabilities at June 30, 2021 were as follows:

	June 30, 2021
Weighted-average remaining lease term	
Operating leases	18.0 years
Finance leases	2.3 years
Weighted-average discount rate	
Operating leases	8.01%
Finance leases	6.47%

Sale-Leaseback Transactions

Sale-Leaseback Transactions with Unrelated Third Parties

During the six months ended June 30, 2021, we entered into a sale-leaseback transaction, involving one property, with an unrelated third party. Under this agreement, we sold property with a net book value of $43.7 million for $34.0 million, which was reduced by transaction costs of $0.1 million, for net cash proceeds of $33.9 million, of which we received $33.9 million during the six months ended June 30, 2021. The estimated fair value of the property sold was $43.5 million. Sale-leaseback transactions with unrelated third parties are accounted for at fair value. Accordingly, the sales price associated with this arrangement was increased, for accounting purposes, by a total of $9.5 million, which resulted in the recognition of a loss of $0.3 million on the transaction. This net loss is included in Other operating in our condensed consolidated statement of operations for the six months ended June 30, 2021. The lease, which has been classified as operating lease, has an initial term of 25 years and includes six renewal options of five years each. The $9.5 million increase in the sales price associated with this sale-leaseback transaction was accounted for as prepaid rent, which was recognized as a non-cash increase in the operating lease right-of-use asset associated with this property.

Supplemental Cash Flow Information

Supplemental cash flow information associated with our operating and finance leases is as follows:

	Six Months Ended June 30,	
	2020	2021
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	$48,712	$93,123
Operating cash flows from finance leases	100	98
Financing cash flows from finance leases	555	750

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	Six Months Ended June 30,	
	2020	2021
Non-cash information:		
Right-of-use assets obtained in exchange for initial lease liabilities		
Operating leases	121,842	66,426
Finance leases	1,939	1,111
Right-of-use asset adjustments recognized as a result of the remeasurement of existing lease liabilities		
Operating leases	9,651	(5,605)
Non-cash increase in operating lease right-of-use assets associated with below-market sale-leaseback transactions	19,310	9,500

Maturities of Operating and Finance Lease Liabilities

The maturities associated with our operating and finance lease liabilities at June 30, 2021 are as follows:

	Operating Leases	Finance Leases	Total
July 2021 through June 2022	$ 180,668	$ 1,610	$ 182,278
July 2022 through June 2023	186,389	1,053	187,442
July 2023 through June 2024	190,060	306	190,366
July 2024 through June 2025	191,009	—	191,009
July 2025 through June 2026	195,321	—	195,321
Thereafter	2,623,520	—	2,623,520
Total lease payments	3,566,967	2,969	3,569,936
Less: Imputed interest	1,739,429	234	1,739,663
Present value of lease liabilities	$ 1,827,538	$ 2,735	$ 1,830,273

8. Mezzanine Equity

Mezzanine equity consists of Series A Preferred Stock. The following table summarizes the changes in mezzanine equity for the six months ended June 30, 2021:

	Preferred Stock	
	Shares	Amount
Balance at January 1, 2021	—	$ —
Issuance of Series A Preferred Stock	5,430	149,585
Issuance of restricted Series A Preferred Stock(1)	500	—
Share-based compensation associated with restricted Series A Preferred Stock(1)	—	1,751
Balance at June 30, 2021	5,930	$ 151,336

(1) During the three and six months ended June 30, 2021, the Company granted 0.5 million shares of restricted Series A Preferred Stock to our CEO. At June 30, 2021, the 0.5 million shares of restricted Series A Preferred Stock associated with this award were issued and outstanding however, all of the shares remained unvested. During the three and six months ended June 30, 2021, we recognized share-based compensation expense associated with this restricted Series A Preferred Stock award of $1.8 million, the offset for which

was recognized as an increase in mezzanine equity. Share-based compensation expense associated with this award will be recognized ratably over the vesting period associated with each individual tranche based on the grant date fair value per share. For more information regarding this restricted Series A Preferred Stock award, see "—Restricted Series A Preferred Stock" below.

Series A Preferred Stock

Authorization and Designation

On January 11, 2021, our board of directors adopted and approved an amendment to the Certificate of Incorporation for Life Time Group Holdings, Inc., which (i) increased the amount of authorized shares of common stock, $0.01 par value per share, from 170.0 million to 200.0 million; and (ii) authorized 25.0 million shares of preferred stock, $0.01 par value per share. Also on January 11, 2021, our board of directors authorized 12.0 million shares of Series A Preferred Stock of Life Time Group Holdings, Inc., $0.01 par value per share. The rights, preferences, privileges, qualifications, restrictions and limitations relating to the Series A Preferred Stock are set forth in the Certificate of Designations ("COD"), which the Company filed with the Secretary of State of the State of Delaware on January 22, 2021.

Voting Rights

Holders of Series A Preferred Stock are only entitled to vote on matters specifically related to the Series A Preferred Stock.

Dividend Rights

From and after the issue date, on each anniversary of the issue date, each share of Series A Preferred Stock shall accrue additional shares of Series A Preferred Stock as a paid-in-kind ("PIK") dividend on the Liquidation Preference (defined in "—Liquidation Rights" below) in effect at the anniversary date at rate of 15.0% per annum. The PIK dividends are cumulative and compound annually to the extent that they have not been paid by the Company. Accrued PIK dividends are payable, at the option of the Company, in either cash from any source of funds legally available or additional shares of Series A Preferred Stock. The holders of Series A Preferred Stock are entitled to participate in any dividends or distributions on our common stock or other junior stock of the Company on an as-if-converted basis (assuming full conversion of all outstanding shares of Series A Preferred Stock).

Liquidation Rights

The Series A Preferred Stock ranks senior to the Company's common stock or other junior capital stock, with respect to dividend rights and rights on the distribution of assets, in the event of a change of control ("COC") or any liquidation, winding up of dissolution of the business of the Company, whether voluntary or involuntary (a "Deemed Liquidation Event"). Upon the occurrence of a Deemed Liquidation Event, each holder of shares of Series A Preferred Stock shall be entitled to receive, for each share, out of assets of the Company legally available for distribution to stockholders or, in the case of a COC, out of the consideration payable to stockholders or the Company in such COC, a preferential amount equal to the greater of (i) the $20.00 per share issue price plus the amount of any accrued dividends (including accrued PIK shares) on such shares of Series A Preferred Stock ("Liquidation Preference") and (ii) the per share amount of all cash, securities or other property to be distributed in respect of the common stock of the Company that such holder of Series A Preferred Stock would have been entitled to receive had the holder converted such Series A Preferred Stock into shares of

common stock of the Company ("Deemed Conversion"), subject to certain adjustments set forth in the COD (details of which are described in "—Conversion Price Adjustments" below). All preferential amounts to be paid to the holders of Series A Preferred Stock in connection with a Deemed Liquidation Event shall be paid before the payment or setting apart for payment of any amount for, or the distribution of any assets of the Company to the holders of the Company's common stock or any other junior stock.

Conversion Rights

Upon the (i) consummation of an Initial Public Offering ("IPO"), (ii) consummation of a Qualifying Private Sale ("QPS") or (iii) election of holders of at least 75% of the then outstanding shares of Series A Preferred Stock, each of the outstanding shares of Series A Preferred shall automatically convert ("Automatic Conversion") into a number of common shares of the Company equal to the Liquidation Preference, subject to certain adjustments set forth in the COD (details of which are described in "—Liquidation Preference Adjustments" below), divided by the $20.00 issue price, subject to certain adjustments set forth in the COD ("Conversion Price") (details of which are described in "—Conversion Price Adjustments" below).

Liquidation Preference Adjustments

In the event of an Automatic Conversion or a Deemed Conversion of shares of Series A Preferred Stock into common shares of the Company, the accrued dividends on such shares of Series A Preferred Stock shall be (a) reduced to zero, in the event that the fair value of each share of the Company's common stock into which such share of Series A Preferred Stock is convertible would equal or exceed the sum of (i) the Liquidation Preference (assuming, for this purpose, that the accrued dividends included in this amount shall not have been reduced to zero) and (ii) any cash dividends paid in respect of such share of Series A Preferred Stock, or (b) reduced to such amount as would provide each holder of such shares of Series A Preferred Stock the 15.0% annual dividend rate from the issue date to the conversion date, in the event that the fair value of each share of the Company's common stock into which such share of Series A Preferred Stock is convertible exceeds the $20.00 initial price per share but is less than the sum of (i) the Liquidation Preference (assuming, for this purpose, that the accrued dividends included in this amount shall not have been reduced) and (ii) any cash dividends paid in respect of such share of Series A Preferred Stock.

Conversion Price Adjustments

The Conversion Price, as defined in the COD, means the $20.00 issue price, subject to anti-dilution adjustments; provided, however, that (i) with respect to any shares of Series A Preferred Stock that are converted into the Company's common stock upon the consummation of an IPO, the Conversion Price shall equal the lesser of (a) the $20.00 issue price and (b) the IPO price, as applicable, and (ii) with respect to any shares of Series A Preferred Stock that are converted into the Company's common stock upon the consummation of a QPS, the Conversion Price share equal the lesser of (a) the $20.00 issue price and (b) the price per share paid by the third party purchased in such transaction, as applicable.

Mandatory Redemption

On July 22, 2026 (the "Redemption Date"), the Company will be required redeem any and all outstanding shares of Series A Preferred stock, from any source of funds legally available for such purpose at a price per share equal to the Liquidation Preference in respect of the redeemed shares.

Series A Preferred Stock Issuance

The fair value of the 5.4 million shares of Series A Preferred Stock that the Company issued, as well as the 0.5 million shares associated with the restricted Series A Preferred Stock award that the Company granted to our

CEO, during the six months ended June 30, 2021 was estimated using an as-converted value plus risky put option model. The put option value was estimated using the Black-Scholes option pricing model. Primary assumptions used in determining the estimated issuance date fair value of the Series A Preferred Stock include: the estimated equity value associated with the then outstanding common stock of Life Time Group Holdings, Inc., a strike price of $20.00 per share, PIK dividend yield rate of 15.0%, expected term of 1.0 years, volatility rate of 65.00% and a risk-free rate of 0.08%. For more information regarding the Contribution Agreement and issuance of the Series A Preferred Stock, see Note 6, Debt. For more information regarding the restricted Series A Preferred Stock, see "—Restricted Series A Preferred Stock" below).

Restricted Series A Preferred Stock

During the second quarter of 2021, in lieu of the vast majority of cash compensation for our CEO for 2021, the Company granted an award of 0.5 million shares of restricted Series A Preferred Stock to our CEO, 50% of which vests on each anniversary of the grant date with 100% full vesting on the date that is 180 days after an initial underwritten public offering. Effective as of the grant date, our CEO has all of the rights of a stockholder with respect to these 0.5 million outstanding shares of restricted Series A Preferred Stock, including the right to receive PIK share or cash dividends. Immediately prior to the granting of this equity award, we had recognized an accrued compensation liability of approximately $1.6 million associated with our CEO's 2021 compensation. For accounting purposes, the settlement of this $1.6 million accrued compensation liability through issuance of the restricted Series A Preferred Stock award was recognized as a decrease in Accrued expenses and other current liabilities and an increase in Additional paid-in capital on our condensed consolidated balance sheet. As of June 30, 2021, all of the restricted Series A Preferred Stock shares subject to this award were both unvested and outstanding.

Share-based compensation expense associated with this restricted Series A Preferred Stock award will be recognized ratably over the vesting period associated with each individual tranche based on the grant date fair value per share, reduced by the $1.6 million of compensation expense associated with the accrued compensation liability that had previously been recognized. During both the three and six months ended June 30, 2021, we recognized share-based compensation expense associated with this restricted Series A Preferred Stock award of $1.8 million, the offset for which was recognized as an increase in Mezzanine equity on our condensed consolidated balance sheet (details of which are described in "—Mezzanine Equity Classification" below). As of June 30, 2021, unrecognized share-based compensation expense related to this restricted Series A Preferred Stock award was approximately $10.4 million. The estimated fair value associated with this restricted Series A Preferred Stock award will be recognized as share-based compensation expense if and when the related recognition conditions, for accounting purposes, are met. In the event an initial public offering is consummated, previously unrecognized share-based compensation expense associated with this restricted Series A Preferred Stock award will be recognized effective with the date that is 180 days after the effective date associated with such initial public offering. For more information on share-based compensation, see Note 9, Stockholders' Equity.

Mezzanine Equity Classification

We applied the guidance in ASC 480, *"Distinguishing Liabilities from Equity"* ("ASC 480") and ASC 815, "*Derivatives and Hedging*" ("ASC 815"), in order to determine the appropriate accounting for both the Series A Preferred Stock that the Company issued, as well as the restricted Series A Preferred Stock award that the Company granted to our CEO, during the three and six months ended June 30, 2021. Based on our analysis, we determined that these shares of Series A Preferred Stock (i) do not meet any of the conditions that would require liability accounting, (ii) are more akin to an equity-like host and (iii) do not contain any embedded features that require bifurcation. Also, because these shares of Series A Preferred Stock are (x) redeemable upon the

occurrence of certain Deemed Liquidation Events that are not solely within the Company's control; and (y) required to be redeemed at a determinable price on the Redemption Date, we determined that the carrying value of the Series A Preferred Stock that the Company issued, as well the offset to the recognized share-based compensation expense associated with the restricted Series A Preferred Stock award, is required to be classified as temporary mezzanine equity on our June 30, 2021 condensed consolidated balance sheet. Accordingly, the issuance date fair value of $149.6 million associated with the 5.4 million shares of Series A Preferred Stock that the Company issued during the six months ended June 30, 2021 was recognized as an increase in Mezzanine equity on our June 30, 2021 condensed consolidated balance sheet. Also, the offset to the $1.8 million of share-based compensation expense associated with the restricted Series A Preferred Stock award that we recognized during the three and six months ended June 30, 2021 was recognized as an increase in Mezzanine equity on our June 30, 2021 condensed consolidated balance sheet.

At June 30, 2021, the outstanding shares of Series A Preferred Stock were not redeemable and we determined that it is not probable that these shares will become redeemable.

Accrued Dividends

At June 30, 2021, PIK dividend shares totaling approximately 0.4 million shares had accrued on the outstanding Series A Preferred Stock and the underlying shares associated with the restricted Series A Preferred Stock award. At June 30, 2021, the estimated fair value of these PIK dividend shares was approximately $10.3 million. Based on the applicable accounting guidance, because the PIK dividend feature is discretionary, each accrued PIK share is required to be measured on the basis of its fair value on the commitment date, which is generally the dividend accrual date. Accordingly, we recognized the $10.3 million estimated fair value of the accrued PIK dividends as a non-cash increase in Accrued expenses and other current liabilities and a decrease in Additional paid-in capital on our June 30, 2021 condensed consolidated balance sheet.

9. Stockholders' Equity

Authorized Common Stock

For information on the increase in the amount of authorized shares of common stock that resulted from an amendment to the Certificate of Incorporation for Life Time Group Holdings, Inc. that our board of directors adopted and approved on January 11, 2021, see Note 8, Mezzanine Equity.

Share-Based Compensation

Equity Incentive Plan

On October 6, 2015, our board of directors adopted the LTF Holdings, Inc. 2015 Equity Incentive Plan (as amended, the "2015 Equity Plan"). During the three months ended June 30, 2021, our board of directors and stockholders approved an amendment to the 2015 Equity Plan. Pursuant to the amendment, the 2015 Equity Plan now provides for the issuance of up to approximately 30.6 million shares of our common stock, plus an annual increase on the first day of each calendar year beginning on January 1, 2022 and ending on and including January 1, 2025, by a number equal to 1.5% of the fully diluted shares of our common stock outstanding on the last day of the immediately preceding fiscal year; provided, that no annual increase shall occur on or after the Company (or its successor) becomes a publicly listed company.

On June 6, 2019, we launched a voluntary stock option purchase offer (the "Offer") whereby, subject to certain conditions and limitations, we offered eligible holders (not including our CEO) of qualifying stock options under

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the 2015 Equity Plan ("Covered Options") the right to sell up to a certain number of vested Covered Options back to us. The Offer terminated on July 3, 2019. In connection with the Offer, we purchased approximately 1.6 million Covered Options. Effective with the purchase date, the 1.6 million Covered Options were canceled, thereby removing these shares from the number of shares available for future grants under the 2015 Equity Plan.

As of June 30, 2021, approximately 0.9 million shares were available for future option and restricted share grants to employees and other eligible participants under the 2015 Equity Plan.

Stock Options

Summary of Stock Option Activity

Stock option activity for the six months ended June 30, 2021 is as follows:

	Shares	Weighted Average Exercise Price
Outstanding as of December 31, 2020	21,119	$ 11.00
Granted	3,193	$ 19.32
Forfeited	(99)	$ 17.26
Outstanding as of June 30, 2021	24,213	$ 12.07
Exercisable as of June 30, 2021	—	$ —

During the three and six months ended June 30, 2021, the Company granted approximately 3.2 million stock options under the 2015 Equity Plan, of which approximately 1.1 million were granted to executives and approximately 2.1 million were granted to non-executive service providers. These options have a ten-year contractual term from the date of grant. The exercise prices and terms of these awards were determined and approved by our board of directors or a committee thereof. The exercise price associated with each of these awards is not less than the fair market value per share of our common stock, as determined by our board of directors or a committee thereof at the time of grant.

Of the 1.1 million options granted to executives during the three and six months ended June 30, 2021, 50% are time vesting options and 50% are performance vesting options. The time vesting options vest in four equal installments on each of the first four anniversaries of the first calendar day of the month in which the grant date occurred, subject to continuous employment from the grant date through the applicable vesting date. All or a portion of the performance vesting options shall vest only upon the attainment of certain targets for the twelve month period commencing on January 1, 2021 and ending on December 31, 2021, as defined in the underlying option agreements, subject to continuous employment from the grant date through the membership dues revenue determination date. Both the time vesting and performance vesting options shall become exercisable on the occurrence of the first measurement date to occur following the grant date, which is generally defined to include the date of a change in control, the first date following the expiration of the lock-up period applicable to the optionee related to an initial public offering, or death or disability, all as defined and subject to the terms and conditions in the underlying option agreements.

The 2.1 million stock options that were granted tonon-executive service providers during the three and six months ended June 30, 2021 are time vesting options, which vest in four equal installments on each of the first four anniversaries of the first calendar day of the month in which the grant date occurred, subject to continuous employment from the grant date through the applicable vesting date. These options shall become exercisable on the effective date associated with the first measurement date (as described immediately above) to occur following the grant date.

LIFE TIME GROUP HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Table amounts in thousands except per share data)

Unless otherwise determined by the administrator of the 2015 Equity Plan, with respect to the 3.2 million stock options that the Company granted during the three and six months ended June 30, 2021: (i) upon an option holder's termination of services for any reason, any portion of an option that has not become vested on or prior to the termination date shall be forfeited on such date and shall not thereafter become vested or exercisable, and (ii) upon an involuntary termination by the Company for cause (as defined in the underlying option agreement), any portion of an option that has become vested on or prior to the termination date shall be forfeited on such date and shall not thereafter become exercisable.

At June 30, 2021, options to purchase approximately 24.2 million shares of our common stock were outstanding. At June 30, 2021, there were no options exercisable because the option exercisability provisions of the underlying stock option agreements were not met.

Fair Value of Stock Option Awards

The fair value of the approximately 3.2 million stock options granted during the six months ended June 30, 2021 was calculated using the Black-Scholes option pricing model. The following weighted average assumptions were used in determining the fair value of these options:

	Six Months Ended June 30, 2021
Dividend yield	0.00%
Risk-free interest rate (1)	0.94%
Expected volatility (2)	60.00%
Expected term of options (in years) (3)	6.1
Fair Value	$ 10.71

(1) The risk-free rate is based on the U.S. treasury yields, in effect at the time of grant or modification, corresponding with the expected term of the options.
(2) Expected volatility is based on historical volatilities for a time period similar to that of the expected term of the options.
(3) Expected term of the options is based on probability and expected timing of market events leading to option exercise.

Share-Based Compensation Expense Associated with Stock Options

No share-based compensation expense was recognized for the three and six months ended June 30, 2020 and 2021. As of June 30, 2021, unrecognized share-based compensation expense related to stock options was approximately $348.9 million. The estimated fair value associated with each outstanding option will be recognized as share-based compensation expense if and when the related recognition conditions, for accounting purposes, are met. A significant portion of the $348.9 million unrecognized share-based compensation expense as of June 30, 2021 is associated with stock options that were granted prior to 2021, each of which shall become fully vested and exercisable immediately prior to the effective date associated with the first Measurement Date to occur after the grant date. Accordingly, upon the consummation of the first Measurement Date to occur after the grant date associated with each of these options, previously unrecognized share-based compensation expense associated with the then-outstanding portion of these options will be recognized immediately prior to the effective date associated with such Measurement Date, as the vesting and exercisability conditions required for expense recognition will have been met.

LIFE TIME GROUP HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Table amounts in thousands except per share data)

Restricted Stock Units

Restricted Stock Units Outstanding

Beginning on March 15, 2020, our CEO decided to forego 100% of his base salary for the remainder of 2020. During the second quarter of 2021, our compensation committee, in consultation with our CEO and our board of directors, established a new compensation program for our CEO. Under the new program, in light of the foregone salary and bonuses in 2020, the compensation committee determined to grant our CEO an equity award of approximately 0.5 million restricted stock units, 50% of which vests on each anniversary of the grant date with 100% full vesting on the date that is 180 days after an initial underwritten public offering. At December 31, 2020, we had recognized an accrued compensation liability of approximately $2.2 million associated with our CEO's 2020 compensation. For accounting purposes, the settlement of this $2.2 million accrued compensation liability through the issuance of the restricted stock units was recognized as a decrease in Accrued expenses and other current liabilities and an increase in Additional paid-in capital on our condensed consolidated balance sheet. As of June 30, 2021, all of the restricted stock units subject to this award were both unvested and outstanding.

Also during the second quarter of 2021, our compensation committee granted approximately 0.1 million restricted stock units to certain of our non-CEO executives and a new director, 50% of which vests on each anniversary of the grant date with 100% full vesting on the date that is 180 days after an initial underwritten public offering. As of June 30, 2021, all of the restricted stock units subject to these awards were both unvested and outstanding.

Share-Based Compensation Expense Associated with Restricted Stock Units

Share-based compensation expense associated with the restricted stock units that were granted to our CEO and non-CEO executives will be recognized ratably over the vesting period associated with each individual tranche based on the grant date fair value per share of $19.32. The expense measurement associated with the restricted stock units granted to our CEO will be reduced by the $2.2 million of compensation expense associated with the accrued compensation liability that had previously been recognized. Share-based compensation expense associated with restricted stock units that were granted to our new director will be recognized on a straight-line basis evenly over the vesting period.

Share-based compensation expense associated with restricted stock units for the three and six months ended June 30, 2021 was $1.1 million. As of June 30, 2021, unrecognized share-based compensation expense related to restricted stock units was approximately $8.4 million. The estimated fair value associated with each outstanding restricted stock unit will be recognized as share-based compensation expense if and when the related recognition conditions, for accounting purposes, are met. In the event an initial public offering is consummated, previously unrecognized share-based compensation expense associated with the then-outstanding restricted stock units will be recognized effective with the date that is 180 days after the effective date associated with such initial public offering.

Restricted Series A Preferred Stock

For information regarding the restricted Series A Preferred Stock award that was granted to our CEO during the three months ended June 30, 2021, see Note 8, Mezzanine Equity.

LIFE TIME GROUP HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Table amounts in thousands except per share data)

10. Commitments and Contingencies

Life Time, Inc. et al. v. Zurich American Insurance Company

On August 19, 2020, Life Time, Inc., several of its subsidiaries, and a joint venture entity, Bloomingdale Life Time Fitness LLC (collectively, the "Life Time Parties") filed a Complaint against Zurich American Insurance Company ("Zurich") in the Fourth Judicial District of the State of Minnesota, County of Hennepin (Case No. 27-CV-20-10599) (the "Action") seeking declaratory relief and damages with respect to Zurich's failure under a property/business interruption insurance policy to provide certain coverage to the Life Time Parties related to the closure or suspension by governmental authorities of their business activities due to the spread or threat of spread of COVID-19. On March 15, 2021, certain of the Life Time Parties filed a First Amended Complaint in the Action adding claims against Zurich under a Builders' Risk policy related to the suspension of multiple construction projects. This Action is subject to many uncertainties, and the outcome of the matter is not predictable with any assurance.

Other Litigation

We are also engaged in other proceedings incidental to the normal course of business. Due to their nature, such legal proceedings involve inherent uncertainties, including but not limited to court rulings, negotiations between affected parties and governmental intervention. We establish reserves for matters that are probable and estimable in amounts we believe are adequate to cover reasonable adverse judgments. Based upon the information available to us and discussions with legal counsel, it is our opinion that the outcome of the various legal actions and claims that are incidental to our business will not have a material adverse impact on our consolidated financial position, results of operations or cash flows. Such matters are subject to many uncertainties, and the outcomes of individual matters are not predictable with assurance.

Through and including , 2021 (the 25th day after the date of this prospectus), all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to unsold allotments or subscriptions.

Shares

LIFE TIME GROUP HOLDINGS, INC.

Common Stock

Goldman Sachs & Co. LLC
Morgan Stanley
BofA Securities
Deutsche Bank Securities
J.P. Morgan
Wells Fargo Securities
BMO Capital Markets
Mizuho Securities
RBC Capital Markets
Guggenheim Securities
Oppenheimer & Co.
BTIG
TPG Capital BD, LLC

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution

The following table sets forth all the costs and expenses, other than underwriting discounts, payable in connection with the sale of the shares of common stock being registered hereby. Except as otherwise noted, the Registrant will pay all of the costs and expenses set forth in the following table. All amounts shown below are estimates, except the SEC registration fee, the FINRA filing fee and the NYSE stock exchange listing fee:

	Amount
SEC registration fee	$ *
FINRA filing fee	*
NYSE stock exchange listing fee	*
Printing fees and expenses	*
Legal fees and expenses	*
Accounting fees and expenses	*
Blue sky fees and expenses	*
Miscellaneous expenses	*
Total	$ *

* To be provided by amendment.

Item 14. Indemnification of Directors and Officers

Section 102 of the Delaware law allows a corporation to eliminate the personal liability of a director to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except in cases where the director breached his or her duty of loyalty to the corporation or its stockholders, failed to act in good faith, engaged in intentional misconduct or a knowing violation of the law, willfully or negligently authorized the unlawful payment of a dividend or approved an unlawful stock redemption or repurchase or obtained an improper personal benefit. Our amended and restated certificate of incorporation contains a provision which eliminates directors' personal liability as set forth above.

Our amended and restated certificate of incorporation and amended and restated bylaws will provide in effect that we shall indemnify our directors and officers to the extent permitted by the Delaware law. Section 145 of the Delaware law provides that a Delaware corporation has the power to indemnify its directors, officers, employees and agents in certain circumstances. Subsection (a) of Section 145 of the Delaware law empowers a corporation to indemnify any director, officer, employee or agent, or former director, officer, employee or agent, who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation), against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding provided that such director, officer, employee or agent acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the corporation and, with respect to any criminal action or proceeding, provided that such director, officer, employee or agent had no reasonable cause to believe that his or her conduct was unlawful.

Subsection (b) of Section 145 of the Delaware law empowers a corporation to indemnify any director, officer, employee or agent, or former director, officer, employee or agent, who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that such person acted in any of the capacities set forth above, against expenses (including attorneys' fees) actually and reasonably incurred in connection with the defense or settlement of such action or suit provided that such person acted in good faith and in a manner he or

she reasonably believed to be in or not opposed to the best interests of the corporation, except that no indemnification may be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery shall determine that despite the adjudication of liability such person is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper.

Section 145 further provides that to the extent that a director or officer or employee of a corporation has been successful in the defense of any action, suit or proceeding referred to in subsections (a) and (b) or in the defense of any claim, issue or matter therein, he or she shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection therewith; that indemnification provided by Section 145 shall not be deemed exclusive of any other rights to which the party seeking indemnification may be entitled; and the corporation is empowered to purchase and maintain insurance on behalf of a director, officer, employee or agent of the corporation against any liability asserted against him or her or incurred by him or her in any such capacity or arising out of his or her status as such whether or not the corporation would have the power to indemnify him or her against such liabilities under Section 145; and that, unless indemnification is ordered by a court, the determination that indemnification under subsections (a) and (b) of Section 145 is proper because the director, officer, employee or agent has met the applicable standard of conduct under such subsections shall be made by (1) a majority vote of the directors who are not parties to such action, suit or proceeding, even though less than a quorum, or (2) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion, or (3) by the stockholders.

We have in effect insurance policies for general officers' and directors' liability insurance covering all of our officers and directors. In addition, we intend to enter into indemnification agreements with our directors and officers. These indemnification agreements may require us, among other things, to indemnify each such director or officer for certain expenses, including attorneys' fees, judgments, fines and settlement amounts incurred by such director or officer in any action or proceeding arising out of his or her service as one of our directors or officers.

Item 15. Recent Sales of Unregistered Securities

During the three years preceding the filing of this registration statement, we have granted the following securities under our 2015 Plan which were not registered under the Securities Act of 1933, as amended: (i) stock options to purchase an aggregate of 5,693,205 shares of our common stock, which options had exercise prices per share ranging between $12.19 and $25.00 when issued and (ii) an aggregate of 610,351 restricted stock units. We have also granted 500,000 shares of our restricted Series A Preferred Stock. On July 3, 2019, we issued and sold an aggregate of 4,346,491.50 shares of our common stock to LNK Partners III, L.P., LNK Partners III (Parallel), L.P., MSD EIV Private Life Time, LLC, and MSD Life Time Investments, LLC, LifeCo LLC, JSS LTF Holdings Limited, and SLT Investors, LLC for a price of $25.00 per share. In addition, on January 6, 2020, we issued and sold an aggregate of 3,600,000 shares of our common stock to Partners Group Series Access II, LLC, Series 61, and Partners Group Private Equity (Master Fund), LLC for a price of $25.00 per share. In addition, on January 22, 2021, we issued an aggregate of 5,429,570 shares of our Series A Preferred Stock upon contribution of the outstanding principal and interest owed by us under the Loan Agreement, dated as of June 24, 2020, among LT Co-Borrower, LLC, LT Canada Co-Borrower, LP, and the lenders party thereto.

The issuances of these stock options, restricted stock units and shares of common stock, restricted preferred stock and preferred stock were deemed to be exempt from registration under the Securities Act in reliance upon Section 4(a)(2) of the Securities Act or Regulation D promulgated thereunder, or Rule 701 promulgated under Section 3(b) of the Securities Act, as transactions by an issuer not involving any public offering or pursuant to benefit plans and contracts relating to compensation as provided under Rule 701. Individuals who purchased shares as described above represented their intention to acquire the common stock for investment only and not with a view to or for sale in connection with any distribution thereof, and appropriate legends were affixed to the share certificates issued in such transactions, if applicable. None of the foregoing transactions involved any underwriters, underwriting discounts or commissions or any public offering.

Item 16. Exhibits and Financial Statement Schedules

(a) Exhibits.

See the Exhibit Index attached to this registration statement, which is incorporated by reference herein.

(b) Financial Statement Schedules.

None.

Item 17. Undertakings

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

The undersigned Registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

INDEX TO EXHIBITS

Exhibit No.	Exhibit Description
1.1	Form of Underwriting Agreement
3.1*	Form of Amended and Restated Certificate of Incorporation of Life Time Group Holdings, Inc.
3.2*	Form of Amended and Restated Bylaws of Life Time Group Holdings, Inc.
4.1*	Indenture, dated as of January 22, 2021, by and between Life Time, Inc., as issuer, the guarantors party thereto and Wilmington Savings Fund Society, FSB, as trustee and notes collateral agent
4.2*	Indenture, dated as of February 5, 2021, by and between Life Time, Inc., as issuer, the guarantors party thereto and Wilmington Savings Fund Society, FSB, as trustee
5.1**	Opinion of Latham & Watkins LLP
10.1†*	Credit Agreement, dated as of June 10, 2015, by and among LTF Intermediate Holdings, Inc., Life Time, Inc., the lenders from time to time party thereto, Deutsche Bank AG New York Branch, as administrative agent and collateral agent, and the other parties thereto
10.2*	Technical Amendment No. 1 to the Credit Agreement, dated as of July 21, 2015, by and between Life Time, Inc. and Deutsche Bank AG New York Branch, as administrative agent and collateral agent.
10.3*	Technical Amendment No. 2 to the Credit Agreement, dated as of September 14, 2015, by and between Life Time, Inc. and Deutsche Bank AG New York Branch, as administrative agent and collateral agent
10.4*	Third Amendment to the Credit Agreement, dated as of June 9, 2016, by and among LTF Intermediate Holdings, Inc., Life Time, Inc., subsidiary guarantors party thereto, the lenders party thereto, and Deutsche Bank AG New York Branch, as administrative agent and collateral agent.
10.5†*	Fourth Amendment to the Credit Agreement, dated as of January 27, 2017, by and among LTF Intermediate Holdings, Inc., Life Time, Inc., subsidiary guarantors party thereto, the lenders party thereto, and Deutsche Bank AG New York Branch, as administrative agent and collateral agent.
10.6*	Fifth Amendment to the Credit Agreement, dated as of November 15, 2017, by and among LTF Intermediate Holdings, Inc., Life Time, Inc., subsidiary guarantors party thereto, the lenders party thereto, and Deutsche Bank AG New York Branch, as administrative agent and collateral agent.
10.7†*	Sixth Amendment to the Credit Agreement, dated as of November 29, 2017, by and among LTF Intermediate Holdings, Inc., Life Time, Inc., subsidiary guarantors party thereto, the lenders party thereto, and Deutsche Bank AG New York Branch, as administrative agent and collateral agent.
10.8†*	Seventh Amendment to the Credit Agreement, dated as of March 22, 2018, by and among LTF Intermediate Holdings, Inc., Life Time, Inc., subsidiary guarantors party thereto, the lenders party thereto, and Deutsche Bank AG New York Branch, as administrative agent and collateral agent.
10.9†*	Eighth Amendment to the Credit Agreement, dated as of January 22, 2021, by and among LTF Intermediate Holdings, Inc., Life Time, Inc., subsidiary guarantors party thereto, the lenders party thereto, and Deutsche Bank AG New York Branch, as administrative agent and collateral agent.
10.10*	The Executive Nonqualified Excess Plan.
10.11*	LTF Holdings, Inc. 2015 Equity Incentive Plan, as amended.
10.12*	Forms of option agreements under the LTF Holdings, Inc. 2015 Equity Incentive Plan.
10.13*	Form of restricted stock unit agreement under LTF Holdings, Inc. 2015 Equity Incentive Plan.
10.14*	LTF Holdings, Inc. Non-Qualified Stock Option Agreement, dated October 6, 2015, by and between Bahram Akradi and LTF Holdings, Inc.

Exhibit No.	Exhibit Description
10.15†*	LTF Holdings, Inc. Restricted Stock Agreement, dated April 1, 2016, by and between Bahram Akradi and LTF Holdings, Inc.
10.16†*	LTF Holdings, Inc. Restricted Stock Agreement, dated April 1, 2017, by and between Bahram Akradi and LTF Holdings, Inc.
10.17*	LTF Holdings, Inc. Preferred Restricted Stock Agreement, dated April 22, 2021, by and between Bahram Akradi and LTF Holdings, Inc.
10.18**	Life Time Group Holdings, Inc. 2021 Employee Stock Purchase Plan.
10.19**	Life Time Group Holdings, Inc. 2021 Incentive Award Plan.
10.20**	Form of option agreement under the Life Time Group Holdings, Inc. 2021 Incentive Award Plan.
10.21**	Form of restricted stock unit agreement under the Life Time Group Holdings, Inc. 2021 Incentive Award Plan.
10.22**	Life Time Group Holdings, Inc. Non-Employee Director Compensation Policy.
10.23†*	Employment Agreement, dated as of October 6, 2015, by and between Bahram Akradi, LTF Holdings, Inc. and Life Time Fitness, Inc., as amended.
10.24*	Employment Agreement, dated as of January 29, 2016, by and between Thomas E. Bergmann and Life Time Fitness, Inc.
10.25*	Employment Agreement, dated as of October 2016, by and between Eric J. Buss and Life Time Fitness, Inc.
10.26*	Employment Agreement, dated as of March 2017, by and between Jeffrey G. Zwiefel and Life Time Fitness, Inc.
10.27*	Offer Letter, dated as of August 18, 2021, by and between Bahram Akradi and Life Time, Inc.
10.28	Employment Agreement by and between Thomas E. Bergmann and Life Time Group Holdings, Inc., effective as of the consummation of this offering.
10.29	Employment Agreement by and between Eric J. Buss and Life Time Group Holdings, Inc., effective as of the consummation of this offering.
10.30	Employment Agreement by and between Jeffrey G. Zwiefel and Life Time Group Holdings, Inc., effective as of the consummation of this offering.
10.31	Employment Agreement by and between RJ Singh and Life Time Group Holdings, Inc., effective as of the consummation of this offering.
10.32†*	Employee Non-Competition Agreement, dated as of August 18, 2021, by and between Bahram Akradi and Life Time, Inc.
10.33*	Form of Director and Officer Indemnification Agreement
10.34**	Form of Stockholders Agreement
21.1*	Subsidiaries of the Registrant
23.1**	Consent of Latham & Watkins LLP (included in Exhibit 5.1)
23.2	Consent of Deloitte & Touche LLP
24.1	Power of Attorney (included in the signature page to the Registration Statement)

* Previously filed.
** To be filed by amendment.
† Certain of the exhibits and schedules to this Exhibit have been omitted in accordance with Regulation S-K Item 601(a)(5). The Registrant agrees to furnish a copy of all omitted exhibits and schedules to the SEC upon its request.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Chanhassen, Minnesota, on this 13th day of September, 2021.

Life Time Group Holdings, Inc.

By: /s/ Bahram Akradi
Name: Bahram Akradi
Title: Founder, Chairman & Chief Executive Officer

The undersigned directors and officers of Life Time Group Holdings, Inc. hereby constitute and appoint Bahram Akradi and Thomas E. Bergmann, and each of them, as the individual's true and lawful attorney in fact and agent, with full power of substitution and resubstitution, for the person and in his name, place and stead, in any and all capacities, to sign this registration statement and any or all amendments, including post effective amendments to the Registration Statement, including a prospectus or an amended prospectus therein and any registration statement for the same offering that is to be effective upon filing pursuant to Rule 462(b) under the Securities Act, and all other documents in connection therewith to be filed with the SEC, granting unto said attorney in fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorney in fact as agent, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereto.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed below by the following persons on behalf of the Registrant and in the capacities on September 13, 2021.

Signature	Title
/s/ Bahram Akradi Bahram Akradi	Founder, Chairman & Chief Executive Officer (Principal Executive Officer)
/s/ Thomas E. Bergmann Thomas E. Bergmann	President & Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)
/s/ Jimena Almendares Jimena Almendares	Director
/s/ Joel Alsfine Joel Alsfine	Director
/s/ Jonathan Coslet Jonathan Coslet	Director
/s/ John G. Danhakl John G. Danhakl	Director
/s/ J. Kristofer Galashan J. Kristofer Galashan	Director

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Signature	Title
/s/ Paul Hackwell Paul Hackwell	Director
/s/ David A. Landau David A. Landau	Director
/s/ Stuart Lasher Stuart Lasher	Director
/s/ Alejandro Santo Domingo Alejandro Santo Domingo	Director
/s/ Andres Small Andres Small	Director

Exhibit 1.1

[•] Shares of Common Stock

Life Time Group Holdings, Inc.

Shares of Common Stock (par value $0.01 per share)

UNDERWRITING AGREEMENT

[•], 2021

[•], 2021

Goldman Sachs & Co. LLC
Morgan Stanley & Co. LLC
BofA Securities, Inc.

c/o Goldman Sachs & Co. LLC
200 West Street
New York, New York 10282

Morgan Stanley & Co. LLC
1585 Broadway
New York, New York 10036

BofA Securities, Inc.
One Bryant Park
New York, New York 10036

Ladies and Gentlemen:

Life Time Group Holdings, Inc., a Delaware corporation (the "**Company**"), proposes to issue and sell to the several Underwriters named in Schedule I hereto (the "**Underwriters**") [•] shares of its common stock, par value $0.01 per share (the "**Firm Shares**").

The Company also proposes to issue and sell to the several Underwriters not more than an additional [•] shares of its common stock, par value $0.01 per share (the "**Additional Shares**"), if and to the extent that Goldman Sachs & Co. LLC, Morgan Stanley & Co. LLC and BofA Securities, Inc., as representatives of the Underwriters (collectively, the "**Representatives**"), shall have determined to exercise, on behalf of the Underwriters, the right to purchase such shares of common stock granted to the Underwriters in Section 2 hereof. The Firm Shares and the Additional Shares are hereinafter collectively referred to as the "**Shares**." The shares of common stock, par value $0.01 per share, of the Company to be outstanding after giving effect to the sales contemplated hereby are hereinafter referred to as the "**Common Stock**."

The Company has filed with the Securities and Exchange Commission (the "**Commission**") a registration statement on Form S-1 (File No. 333-[•]), including a preliminary prospectus, relating to the Shares. The registration statement as amended at the time it becomes effective, including the information (if any) deemed to be part of the registration statement at the time of effectiveness pursuant to Rule 430A under the Securities Act of 1933, as amended (the "**Securities Act**"), is hereinafter referred to as the "**Registration Statement**"; the prospectus in the form first used to confirm sales of Shares (or in the form first made available to the Underwriters by the Company to meet requests of purchasers pursuant to Rule 173 under the Securities Act) is hereinafter referred to as the "**Prospectus**." If the Company has filed an abbreviated registration statement to register additional shares of Common Stock pursuant to Rule 462(b) under the Securities Act (a "**Rule 462 Registration Statement**"), then any reference herein to the term "**Registration Statement**" shall be deemed to include such Rule 462 Registration Statement.

For purposes of this Underwriting Agreement (this "**Agreement**"), "**free writing prospectus**" has the meaning set forth in Rule 405 under the Securities Act, "**preliminary prospectus**" shall mean each prospectus used prior to the effectiveness of the Registration Statement, and each prospectus that omitted information pursuant to Rule 430A under the Securities Act that was used after such effectiveness and prior to the execution and delivery of this Agreement, "**Time of Sale Prospectus**" means the preliminary prospectus contained in the Registration Statement at the time of its effectiveness together with the documents and pricing information set forth in Schedule II hereto, and "**broadly available road show**" means a "bona fide electronic road show" as defined in Rule 433(h)(5) under the Securities Act that has been made available without restriction to any person. As used herein, the terms "Registration Statement," "preliminary prospectus," "Time of Sale Prospectus" and "Prospectus" shall include the documents, if any, incorporated by reference therein as of the date hereof.

Morgan Stanley & Co. LLC has agreed to reserve a portion of the Shares to be purchased by it under this Agreement for sale to the Company's directors, officers, employees and business associates and other parties related to the Company (collectively, "**Participants**"), as set forth in each of the Time of Sale Prospectus and the Prospectus under the heading "Underwriting (Conflicts of Interest)" (the "**Directed Share Program**"). The Shares to be sold by Morgan Stanley & Co. LLC and its affiliates pursuant to the Directed Share Program, at the direction of the Company, are referred to hereinafter as the "**Directed Shares**." The Company has solely determined, without any direct or indirect participation by the underwriters or Morgan Stanley & Co. LLC, the Participants who will purchase Directed Shares (including the amount to be purchased by such persons) sold by Morgan Stanley & Co. LLC. Any Directed Shares not orally confirmed for purchase by any Participant by 11:59 p.m., New York City time, on the date of this Agreement will be offered to the public by the Underwriters as set forth in the Prospectus.

1. *Representations and Warranties*. The Company represents and warrants to and agrees with each of the Underwriters that:

(a) The Registration Statement has become effective; no stop order suspending the effectiveness of the Registration Statement is in effect, and no proceedings for such purpose or pursuant to Section 8A under the Securities Act are pending before or, to the Company's knowledge, threatened by the Commission.

(b) (i) The Registration Statement, when it became effective, did not contain and, as amended or supplemented, if applicable, will not contain, as of the date of such amendment or supplement, any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (ii) the Registration Statement and the Prospectus comply and, as amended or supplemented, if applicable, as of the date of such amendment or supplement, will comply in all material respects with the Securities Act and the applicable rules and regulations of the Commission thereunder, (iii) the Time of Sale Prospectus does not, and at the time of each sale of the Shares in connection with the offering when the Prospectus is not yet available to prospective purchasers and at the Closing Date (as defined in Section 4), the Time of Sale Prospectus, as then amended or supplemented by the Company, if applicable, as of the date of such amendment or supplement, will not, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, (iv) each broadly available road show, if any, when considered together with the Time of Sale Prospectus, does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading and (v) the Prospectus does not contain and, as amended or supplemented, if applicable, as of the date of such amendment or supplement, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except that the representations and warranties set forth in this paragraph do not apply to statements or omissions in the Registration Statement, the Time of Sale Prospectus or the Prospectus based upon information relating to any Underwriter furnished to the Company in writing by or on behalf of such Underwriter through the Representatives expressly for use therein, it being understood and agreed that the only such information furnished by any Underwriter consists of the Underwriter Information (as defined in Section 8(b) of this Agreement).

(c) The Company is not an "ineligible issuer" in connection with the offering pursuant to Rules 164, 405 and 433 under the Securities Act. Any free writing prospectus that the Company is required to file pursuant to Rule 433(d) under the Securities Act has been, or will be, filed with the Commission in accordance with the requirements of the Securities Act and the applicable rules and regulations of the Commission thereunder. Each free writing prospectus that the Company has filed, or is required to file, pursuant to Rule 433(d) under the Securities Act or that was prepared by or on behalf of or used or referred to by the Company complies or will comply in all material respects with the requirements of the Securities Act and the applicable rules and regulations of the Commission thereunder. Except for the free writing prospectuses, if any, identified in Schedule II hereto, and electronic road shows, if any, each furnished to the Representatives before first use, the Company has not prepared, used or referred to, and will not, without the Representatives' prior consent, prepare, use or refer to, any free writing prospectus.

(d) None of the Company or any of the Company's subsidiaries has sustained since the date of the latest audited financial statements included in the Registration Statement, the Time of Sale Prospectus or the Prospectus any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Registration Statement, the Time of Sale Prospectus or the Prospectus; and, since the respective dates as of which information is given in the Registration Statement, the Time of Sale Prospectus or the Prospectus, there has not been any adverse change in the capital stock or long-term debt of the Company or any of the Company's subsidiaries or any development that would reasonably be expected to result in a Material Adverse Effect. As used in this Agreement, "**Material Adverse Effect**" means any of the following: (i) a material adverse effect on the ability of the Company or any of the Company's subsidiaries to consummate the sale of the Shares as contemplated hereby, (ii) any material adverse change in the capital stock or long-term debt of the Company or any of its subsidiaries prior to the consummation of the offering or (iii) any material adverse change, or any development involving a prospective material adverse change, in or affecting the general affairs, management, financial position, stockholders' equity or results of operations of the Company and its subsidiaries, taken as a whole.

(e) Each of the Company and the Company's subsidiaries have good and marketable title in fee simple to all real property and good and marketable title to all tangible personal property owned by them, in each case free and clear of all liens, encumbrances and defects except such as are described in the Registration Statement, the Time of Sale Prospectus or the Prospectus or such as do not materially affect the value of such property and do not interfere with the use made and proposed to be made of such property by the Company and its subsidiaries; and any real property and buildings held under lease by the Company and the Company's subsidiaries are held by them under valid, subsisting and enforceable leases with such exceptions as are not material and do not interfere with the use made and proposed to be made of such property and buildings by the Company and the Company's subsidiaries, except as do not materially affect the value of such property and do not interfere with the use made and proposed to be made of such property by the Company and its subsidiaries.

(f) Each of the Company and the Company's "significant subsidiaries" (as defined in Rule 1-02(w) of Regulation S-X under the Securities Act) has been duly formed and is validly existing as a corporation or limited liability company in good standing (or the local equivalent) under the laws of the jurisdiction in which it was organized with power and authority (corporate and other) to own, lease and/or operate its properties and conduct its business as described in the Registration Statement, the Time of Sale Prospectus or the Prospectus and, in the case of the Company, to enter into and perform its obligations under this Agreement. Each of the Company and the Company's subsidiaries has been duly qualified as a foreign corporation for the transaction of business and is in good standing under the laws of each other jurisdiction in which it owns or leases properties or conducts any business so as to require such qualification, except where the failure to be so qualified or in good standing would not reasonably be expected to, individually or in the aggregate, have a Material Adverse Effect.

(g) The Company has an authorized capitalization as set forth in the Registration Statement, the Time of Sale Prospectus or the Prospectus, and all of the issued shares of capital stock of the Company have been duly and validly authorized and issued and are fully paid and non-assessable and none of the outstanding shares of capital stock of the Company were issued in violation of the preemptive or similar rights of any securityholder of the Company, except as would not, individually or in the aggregate reasonably be expected to have a Material Adverse Effect; and all of the issued shares of capital stock of each material subsidiary of the Company have been duly and validly authorized and issued, are fully paid and non-assessable and are owned directly or indirectly by the Company, free and clear of all liens, encumbrances, equities or claims, except as disclosed in the Registration Statement, the Time of Sale Prospectus or the Prospectus or as would not, individually or in the aggregate reasonably be expected to have a Material Adverse Effect.

(h) The Company has the requisite corporate power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby; this Agreement has been duly authorized, executed and delivered by the Company.

(i) The Shares have been duly authorized and, when issued, delivered and paid for in accordance with the terms of this Agreement, will be validly issued, fully paid and non-assessable, and the issuance of the Shares will not be subject to any preemptive or similar rights.

(j) The issuance and sale of the Shares and the compliance by the Company with all of the provisions of this Agreement and the consummation of the transactions herein and therein contemplated will not (i) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which the Company or any of the Company's subsidiaries is a party or by which the Company or any of the Company's subsidiaries is bound or to which any of the property or assets of the Company or any of the Company's subsidiaries is subject, except for such conflicts or breaches for which the Company has obtained a consent or waiver; (ii) result in any violation of the provisions of the certificate of incorporation or bylaws or other organizational documents, as applicable, of the Company, or any of the Company's subsidiaries; (iii) assuming the accuracy of the representations and warranties of the Underwriters contained herein, result in any violation of any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or any of the Company's subsidiaries or any of their respective properties; and (iv) require the consent, approval, authorization, order, registration or qualification of or with any such court or

governmental agency or body is required for the issuance and sale of the Securities or the consummation by the Company of the transactions contemplated by this Agreement except for such consents, approvals, authorizations, registrations or qualifications as may be required by the Financial Industry Regulatory Authority, Inc. ("**FINRA**") and under state securities or Blue Sky laws in connection with the purchase and distribution of the Shares by the Underwriters; except, in the case of each of clauses (i), (iii) and (iv) above, as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(k) None of the Company or any of its subsidiaries, or any of its controlled affiliates has taken or, prior to the completion of the offering, will take, directly or indirectly, any action which is designed to or that could reasonably be expected to cause or result in stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Shares, except as disclosed in the Time of Sale Prospectus and the Prospectus.

(l) Neither the Company nor any of the Company's subsidiaries is (i) in violation of its certificate of incorporation or bylaws or other organizational documents, as applicable or (ii) in default in the performance or observance of any material obligation, agreement, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which it is a party or by which it or any of its properties or assets is subject, except, in the case of (ii) above, for such defaults as would not reasonably be expected to have a Material Adverse Effect.

(m) The statements set forth in the Registration Statement, the Time of Sale Prospectus and the Prospectus under the caption "**Description of Capital Stock**," insofar as they purport to constitute a summary of the terms of the Shares, and under the caption "**Material U.S. Federal Income Tax Considerations to Non-U.S. Holders**," insofar as they purport to describe the provisions of the laws referred to therein, and "**Underwriting (Conflicts of Interest)**," insofar as they purport to describe the terms of this Agreement, constitute accurate summaries of the matters described therein in all material respects.

(n) The historical financial statements of the Company and its subsidiaries included in the Registration Statement, the Time of Sale Prospectus or the Prospectus, together with the related notes, comply as to form in all material respects with the applicable accounting requirements of the Securities Act and present fairly in all material respects the consolidated financial position of the Company and its subsidiaries as of the dates indicated and the consolidated results of operations and cash flows of the Company and its subsidiaries for the periods specified, subject, in the case of any such unaudited financial statements, to changes resulting from audit and normal year-end adjustments, and have been prepared in conformity with generally accepted accounting principles in the United States ("**GAAP**") applied on a consistent basis during the periods involved (except as otherwise noted therein). The other financial and statistical data set forth in the Registration Statement, the Time of Sale Prospectus or the Prospectus are accurately presented and where applicable, have been prepared on a basis consistent with the financial statements and books and records of the Company.

(o) Other than as set forth in the Registration Statement, the Time of Sale Prospectus or the Prospectus, there are no legal or governmental proceedings pending to which the Company or any of the Company's subsidiaries is a party or of which any property of the Company or any of the Company's subsidiaries is the subject which, if determined adversely to the Company or any of the Company's subsidiaries, would individually or in the aggregate be reasonably expected to have a Material Adverse Effect and, to the best of the Company's knowledge, no such proceedings are threatened or contemplated by governmental authorities or threatened by others; and there are no statutes, regulations, contracts or other documents to which the Company is subject or by which the Company is bound that are required to be described in the Registration Statement, the Time of Sale Prospectus or the Prospectus or to be filed as exhibits to the Registration Statement that are not described in all material respects or filed as required.

(p) The Company and the Company's subsidiaries own, or have the valid licensed right to use, all intellectual property and similar intangible rights, including patents, trademarks, service marks, domain names, trade names, brand names, trade dress, copyrights, software, data, databases, trade secrets, technology and know-how (whether patented or not) and other proprietary or confidential information, together all registrations and applications for registration thereof (collectively, "**Intellectual Property Rights**") used, held for use or otherwise necessary in connection with their respective businesses, in each case free and clear of all liens, encumbrances and defects except such as are described in the Registration Statement, the Time of Sale Prospectus or the Prospectus or such as would not reasonably be expected to have a Material Adverse Effect. Except as would not, individually or in the aggregate, be reasonably expected to have a Material Adverse Effect, no action, suit, proceeding, investigation, claim, or demand is pending or, to the best of the Company's knowledge, threatened, that challenges the validity, enforceability, issuance/registration, use or ownership of any Intellectual Property Rights owned by the Company or any of its subsidiaries or used or held for use in the business of the Company or any of its subsidiaries.

(q) Each preliminary prospectus filed as part of the Registration Statement as originally filed or as part of any amendment thereto, or filed pursuant to Rule 424 under the Securities Act, complied when so filed in all material respects with the applicable requirements of the Securities Act and the applicable rules and regulations of the Commission thereunder.

(r) None of the Company or any of its subsidiaries is, and after giving effect to the offering and sale of the Shares and the application of the proceeds thereof as described in the Registration Statement, the Time of Sale Prospectus or the Prospectus, none of them will be, required to register as an "investment company", as such term is defined in the United States Investment Company Act of 1940, as amended (the "**Investment Company Act**").

(s) There are no contracts, agreements or understandings between the Company and any person granting such person the right to require the Company to file a registration statement under the Securities Act with respect to any securities of the Company or to require the Company to include such securities with the Shares registered pursuant to the Registration Statement, except as otherwise have been validly waived in connection with the issuance and sale of the Shares contemplated hereby and as described in the Time of Sale Prospectus and the Prospectus.

(t) The Company and its subsidiaries have paid all federal, state, local andnon-U.S. taxes required to be paid by any of them and filed all federal, state, local and non-U.S. tax returns that are required to be filed by any of them through the date hereof, except (i) where the failure to pay such taxes or file such returns would not reasonably be expected to have a Material Adverse Effect or (ii) as otherwise disclosed in the Registration Statement, the Time of Sale Prospectus or the Prospectus. There is no tax deficiency that has been, or would reasonably expected to be, asserted against the Company or any of its subsidiaries or any of their respective properties or assets, in each case, except as (x) would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect or (y) otherwise disclosed in the Registration Statement, the Time of Sale Prospectus or the Prospectus.

(u) Each of the Company and its subsidiaries maintains internal accounting controls that provide reasonable assurance that (A) transactions are executed in accordance with management's authorization, (B) transactions are recorded as necessary to permit preparation of its financial statements in conformity with U.S. GAAP and to maintain accountability for its assets, (C) access to its assets is permitted only in accordance with management's authorization and (D) the reported accountability for its assets is compared with existing assets at reasonable intervals.

(v) Other than as set forth in the Registration Statement, the Time of Sale Prospectus or the Prospectus, since the date of the latest audited financial statements included in the Registration Statement, the Time of Sale Prospectus and the Prospectus, there have been no (i) material weaknesses in the Company's internal control over financial reporting (whether or not remediated) and (ii) changes in the Company's internal control over financial reporting that have adversely affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

(w) Deloitte & Touche LLP, who have certified certain financial statements of the Company and its subsidiaries and delivered its report with respect to the audited consolidated financial statements and the related notes filed with the Commission as part of the Registration Statement and included in each of the Registration Statement, the Time of Sale Prospectus and the Prospectus, is an independent registered public accounting firm within the meaning of the Securities Act and the rules and regulations of the Commission thereunder and the Public Company Accounting Oversight Board (United States).

(x) Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, (i) each "**employee benefit plan**" (within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**")) for which the Company, or, with respect to any employee benefit plan subject to Title IV of ERISA or Section 412 of the Internal Revenue Code of 1986, as amended (the "**Code**"), any member of its "**Controlled Group**" (defined as any organization which is a member of a controlled group of corporations within the meaning of Section 414 of the Code), has any liability (each, a "**Plan**") has been maintained in compliance with ERISA and the Code; (ii) no prohibited transaction (within the meaning of Section 406 of ERISA or Section 4975 of the Code) has occurred with respect to any Plan; (iii) with respect to each Plan subject to Title IV of ERISA (A) no failure to satisfy the minimum funding standard under Section 412 of the Code or Section 302 of ERISA, whether or not waived, has occurred or is reasonably expected to occur and (B) neither the Company nor any member of its Controlled Group has incurred or reasonably expects to incur, any liability under Title IV of ERISA (including any liability under Section 4062(e) of ERISA) with respect to the termination of, or withdrawal from, any such Plan and (iv) each Plan that is intended to be qualified under Section 401(a) of the Code is subject to a favorable determination letter from the IRS or is entitled to rely on a favorable opinion letter issued by the IRS and nothing to the Company's knowledge has occurred, whether by action or failure to act, which would reasonably be expected to cause the loss of such qualification.

(y) Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect (A) each of the Company and its subsidiaries is in compliance with and not subject to liability under applicable Environmental Laws, (B) each of the Company and its subsidiaries has made all filings and provided all notices required under any applicable Environmental Law, and has and is in compliance with all permits required under any applicable Environmental Laws and each of them is in full force and effect, (C) there is no civil, criminal or administrative action, suit, demand, claim, hearing, notice of violation, investigation, proceeding, notice or demand letter or request for information pending or, to the knowledge of the Company or any of its subsidiaries, threatened against the Company or any of its subsidiaries under any Environmental Law, (D) there are no events, circumstances or conditions, including without limitation the Release or threat of Release of Hazardous Materials into the Environment, that would reasonably be expected to form the basis of a civil, criminal or administrative action, suit, demand, claim, hearing, notice of violation, investigation, proceeding, notice or demand letter or request for information against the Company or any of its subsidiaries under any Environmental Law, (E) no lien, charge, encumbrance or restriction has been recorded under any Environmental Law with respect to any assets, facility or property owned, operated, leased or controlled by the Company or any of its subsidiaries and (F) neither the Company or any subsidiary is conducting or paying for in whole or in part any investigation, response or corrective action pursuant to any Environmental Law.

For purposes of this Agreement, "**Environment**" means ambient air, indoor air, surface water, groundwater, drinking water, land surface and subsurface strata and natural resources such as wetlands, flora and fauna. "**Environmental Laws**" means the common law and all applicable federal, provincial, state and local laws or regulations, codes, orders, decrees, judgments or injunctions issued, promulgated, approved or entered thereunder, relating to pollution or protection of public or employee health and safety or the Environment in the United States or Canada, including, without limitation, laws relating to (i) Releases or threatened Releases of Hazardous Materials into the Environment, (ii) the manufacture, processing, distribution, use, generation, treatment, storage, transport of handling of Hazardous Materials, (iii) underground and above ground storage tanks and related piping, and emissions, Releases or threatened Releases therefrom. "**Hazardous Materials**" means all substances, wastes, pollutants or contaminants, materials, constituents, chemicals or compounds in any form, regulated or which can give rise to liability under any Environmental Law, including but not limited to, medical or pharmaceutical waste, petroleum or petroleum by-products, asbestos or asbestos containing materials. "**Release**" shall mean any spilling, leaking, pumping, pouring, emitting, emptying, discharge, injecting, escaping, leaching, dumping, disposing, depositing or migration into the Environment, or into, from or through any building or structure.

(z) None of the Company, any of the Company's subsidiaries or, to the knowledge of the Company, any director, officer, agent, employee or controlled affiliate of the Company or any of its subsidiaries, is an individual or entity ("**Person**") that is currently the subject or the target of any sanctions administered or imposed by the U.S. Government (including, without limitation, the Office of Foreign Assets Control of the U.S. Treasury Department ("**OFAC**"), the U.S. Department of Commerce, or the U.S. Department of State, the United Nations Security Council, the European Union, or Her Majesty's Treasury or any similar sanctions imposed by any governmental body to which the Company or any of its subsidiaries is subject (collectively, "**Sanctions**")) nor is owned or controlled by a Person that is currently the subject or target of any Sanctions, nor is located, organized or resident in a country or territory that is the subject of comprehensive Sanctions (a "**Sanctioned Country**") (which as of the date hereof includes Cuba, Iran, North Korea, Syria, and the Crimea region of Ukraine); nor is designated as a "specially designated national" or a "blocked person" by the U.S. Government. None of the Company or any of its subsidiaries have knowingly engaged in during the past five years, are not now knowingly engaged in, and will not engage in, any dealings or transactions with any person that at the time of the dealing or transaction is or was the subject or the target of Sanctions or

with any Sanctioned Country. The Company will not knowingly, directly or indirectly, use the proceeds of the offering of the Securities hereunder, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person (i) to fund or facilitate any activities or business of or with any Person, or in any country or territory, that, at the time of such funding or facilitating, is the subject or target of Sanctions in violation of Sanctions; (ii) to fund or facilitate any activities of or business in any Sanctioned Country or (iii) in any other manner that will result in a Sanctions violation by any person (including any person participating in the transaction, whether as an underwriter, advisor, investor or otherwise).

(aa) The Company and its subsidiaries possess all licenses,sub-licenses, certificates, permits and other authorizations issued by, and have made all declarations and filings with, the appropriate federal, state, local or foreign governmental or regulatory authorities that are necessary for the ownership or lease of their respective properties or the conduct of their respective businesses as described in each of the Registration Statement, the Time of Sale Prospectus or the Prospectus, except where the failure to possess or make the same would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; and except as described in each of the Registration Statement, the Time of Sale Prospectus or the Prospectus, neither the Company nor any of its subsidiaries has received notice of any revocation or modification of any such license, sub-license, certificate, permit or authorization or has any reason to believe that any such license, certificate, permit or authorization will not be renewed in the ordinary course, except, in each case, as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(bb) Neither the Company nor any of its subsidiaries, nor to the knowledge of the Company, any director, officer, agent, employee, controlled affiliate or other person acting on behalf of the Company or any of its subsidiaries (in each case as it relates to the business of the Company or any of its subsidiaries): (i) has used any funds for any unlawful contribution, gift, property, entertainment or other unlawful expense related to political activity; or (ii) has taken or will take any action, directly or indirectly, that would result in a violation by the Company or any of its subsidiaries of any provision of the Bribery Act 2010 of the United Kingdom, any applicable laws implementing the OECD Convention on Bribery of Foreign Public Officials in International Business Transactions, or the U.S. Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations there under. The Company and its subsidiaries have each conducted their businesses in material compliance with all applicable anti-bribery and anti-corruption laws and/or regulations and have instituted and maintain policies and procedures reasonably designed to promote and ensure continued compliance with all applicable anti-bribery and anti-corruption laws and with the representation and warranty contained herein. The Company and its subsidiaries and controlled affiliates will not, directly or knowingly indirectly, use the proceeds of the offering and sale of the Shares or lend, contribute or otherwise make available such proceeds to any subsidiary, affiliate, joint venture partner or other person or entity for the purpose of facilitating any activity that would violate the laws and regulations as referred to in section (ii) above.

(cc) The operations of the Company and its subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the money laundering statutes of all applicable jurisdictions, including those of the Bank Secrecy Act, as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act), and the rules and regulations thereunder and any related or similar rules, regulations or guidelines issued, administered or enforced by any governmental agency (collectively, the "**Money Laundering Laws**") and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its subsidiaries with respect to the Money Laundering Laws is pending or, to the best knowledge of the Company, threatened.

(dd) The Company and its subsidiaries' information technology assets and equipment, computers, systems, networks, hardware, software, websites, applications, and databases (collectively, "**IT Systems**") are adequate for, and operate and perform in all material respects as required in connection with the operations of the business of the Company and its subsidiaries as currently conducted, and to the knowledge of the Company, free and clear of all material Trojan horses, time bombs, malware and other corruptants. The Company and its subsidiaries have implemented and maintained commercially reasonable controls, policies, procedures, and safeguards designed to maintain and protect their confidential information and the integrity, continuous operation, redundancy and security of all IT Systems and all personal, personally identifiable, sensitive, confidential or regulated data, including the data of their respective customers, employees, suppliers, vendors and any third-party data maintained by or on behalf of them (collectively, "**Data**") used in connection with their businesses, and, to the knowledge of the Company, there have been no breaches, violations, outages, unauthorized uses of or accesses to, or other compromises to IT Systems or Data, except for those that have been remedied without material cost or liability or the duty to notify any other person, nor any incidents under internal review or investigations relating to the same. Except as would not, individually or in the aggregate, have a Material Adverse Effect, to the Company's knowledge, the Company and its subsidiaries have complied and are presently in compliance with all applicable laws or statutes and all judgments, orders, rules and regulations of any court or arbitrator or governmental or regulatory authority and all internal and external policies and contractual obligations, in each case relating to the privacy and security of IT Systems and Data and to the protection of such IT Systems and Data from unauthorized use, access, misappropriation or modification.

(ee) Subsequent to the respective dates as of which information is given in each of the Registration Statement, the Time of Sale Prospectus and the Prospectus and other than as disclosed in the Registration Statement, the Time of Sale Prospectus or the Prospectus, (i) the Company and its subsidiaries, taken as a whole, have not incurred any material liability or obligation, direct or contingent, nor entered into any material transaction; (ii) the Company has not purchased any of its outstanding capital stock, nor declared, paid or otherwise made any dividend or distribution of any kind on its capital stock other than ordinary and customary dividends; and (iii) there has not been any material change in the capital stock, short-term debt or long-term debt of the Company and its subsidiaries, taken as a whole.

(ff) The Company has not sold, issued or distributed any shares of Common Stock during thesix-month period preceding the date hereof, including any sales pursuant to Rule 144A under, or Regulation D or S of, the Securities Act, other than shares issued pursuant to employee benefit plans, qualified stock option plans or other employee compensation plans or pursuant to outstanding options, rights or warrants.

(gg) The Company (i) has not alone engaged in any Testing-the-Waters Communication with any person other than Testing-the-Waters Communications with the consent of the Representatives with entities that are reasonably believed to be qualified institutional buyers within the meaning of Rule 144A under the Securities Act or institutions that are reasonably believed to be accredited investors within the meaning of Rule 501 under the Securities Act and (ii) has not authorized anyone other than the Representatives to engage in Testing-the-Waters Communications. The Company reconfirms that the Representatives have been authorized to act on its behalf in undertaking Testing-the-Waters Communications. The Company has not distributed any Testing-the-Waters Communication that is a written communication within the meaning of Rule 405 under the Securities Act. "**Testing-the-Waters Communication**" means any communication with potential investors undertaken in reliance on Section 5(d) or Rule 163B of the Securities Act.

(hh) As of the time of each sale of the Shares in connection with the offering when the Prospectus is not yet available to prospective purchasers, none of (A) the Time of Sale Prospectus, (B) any free writing prospectus, when considered together with the Time of Sale Prospectus, and (C) any individual Testing-the-Waters Communication, when considered together with the Time of Sale Prospectus, included, includes or will include an untrue statement of a material fact or omitted, omits or will omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(ii) The Registration Statement, the Prospectus, the Time of Sale Prospectus and any preliminary prospectus comply, and any amendments or supplements thereto will comply, with any applicable laws or regulations of foreign jurisdictions in which the Prospectus, the Time of Sale Prospectus or any preliminary prospectus, as amended or supplemented, if applicable, are distributed in connection with the Directed Share Program.

(jj) No consent, approval, authorization or order of, or qualification with, any governmental body or agency, other than those obtained, is required in connection with the offering of the Directed Shares in any jurisdiction where the Directed Shares are being offered.

(kk) The Company has not offered, or caused Morgan Stanley & Co. LLC or any Morgan Stanley & Co. LLC Entity as defined in Section 9 to offer Shares to any person pursuant to the Directed Share Program with the specific intent to unlawfully influence (i) a customer or supplier of the Company to alter the customer's or supplier's level or type of business with the Company or (ii) a trade journalist or publication to write or publish favorable information about the Company or its products.

2. *Agreements to Sell and Purchase.* The Company hereby agrees to sell to the several Underwriters, and each Underwriter, upon the basis of the representations and warranties herein contained, but subject to the terms and conditions hereinafter stated, agrees, severally and not jointly, to purchase from the Company the respective numbers of Firm Shares set forth in Schedule I hereto opposite its name at $[•] a share (the "**Purchase Price**").

On the basis of the representations and warranties contained in this Agreement, and subject to its terms and conditions, the Company agrees to sell to the Underwriters the Additional Shares, and the Underwriters shall have the right to purchase, severally and not jointly, up to [•] Additional Shares at the Purchase Price; *provided*, however, that the amount paid by the Underwriters for any Additional Shares shall be reduced by an amount per share equal to any dividends declared by the Company and payable on the Firm Shares but not payable on such Additional Shares. The Representatives may exercise this right on behalf of the Underwriters in whole or from time to time in part by giving written notice not later than 30 days after the date of this Agreement. Any exercise notice shall specify the number of Additional Shares to be purchased by the Underwriters and the date on which such shares are to be purchased. Each purchase date must be at least one business day after the written notice is given and may not be earlier than the closing date for the Firm Shares or later than ten business days after the date of such notice. Additional Shares may be purchased as provided in Section 4 hereof solely for the purpose of covering over-allotments made in connection with the offering of the Firm Shares. On each day, if any, that Additional Shares are to be purchased (an "**Option Closing Date**"), each Underwriter agrees, severally and not jointly, to purchase the number of Additional Shares (subject to such adjustments to eliminate fractional shares as the Representatives may determine) that bears the same proportion to the total number of Additional Shares to be purchased on such Option Closing Date as the number of Firm Shares set forth in Schedule I hereto opposite the name of such Underwriter bears to the total number of Firm Shares.

3. *Terms of Public Offering.* The Company is advised by the Representatives that the Underwriters propose to make a public offering of their respective portions of the Shares as soon after the Registration Statement and this Agreement have become effective as in the Representatives' judgment is advisable. The Company is further advised by the Representatives that the Shares are to be offered to the public initially at $[•] a share (the "**Public Offering Price**") and to certain dealers selected by the Representatives at a price that represents a concession not in excess of $[•] a share under the Public Offering Price, and that any Underwriter may allow, and such dealers may reallow, a concession, not in excess of $[•] a share, to any Underwriter or to certain other dealers.

4. *Payment and Delivery*. Payment for the Firm Shares shall be made to the Company in Federal or other funds immediately available in New York City against delivery of such Firm Shares for the respective accounts of the several Underwriters at 10:00 a.m., New York City time, on [•], 2021, or at such other time on the same or such other date, in any event not later than five business days thereafter, as shall be designated in writing by the Representatives. The time and date of such payment are hereinafter referred to as the "**Closing Date**."

Payment for any Additional Shares shall be made to the Company in Federal or other funds immediately available in New York City against delivery of such Additional Shares for the respective accounts of the several Underwriters at 10:00 a.m., New York City time, on the date specified in the corresponding notice described in Section 2 or at such other time on the same or on such other date, in any event not later than ten business days thereafter, as shall be designated in writing by the Representatives.

The Firm Shares and Additional Shares shall be registered in such names and in such denominations as the Representatives shall request not later than one full business day prior to the Closing Date or the applicable Option Closing Date, as the case may be. The Firm Shares and Additional Shares shall be delivered to the Representatives on the Closing Date or an Option Closing Date, as the case may be, for the respective accounts of the several Underwriters with any transfer taxes payable in connection with the transfer of the Shares to the Underwriters duly paid, against payment of the Purchase Price therefor.

5. *Conditions to the Underwriters' Obligations*. The obligations of the Company to sell the Shares to the Underwriters and the several obligations of the Underwriters to purchase and pay for the Shares on the Closing Date are subject to the condition that the Registration Statement shall have become effective not later than [•] (New York City time) on the date hereof.

The several obligations of the Underwriters are subject to the following further conditions:

(a) Subsequent to the execution and delivery of this Agreement and prior to the Closing Date:

(i) no order suspending the effectiveness of the Registration Statement shall be in effect, and no proceeding for such purpose or pursuant to Section 8A under the Securities Act shall be pending before or threatened by the Commission;

(ii) there shall not have occurred any downgrading, nor shall any notice have been given of any intended or potential downgrading or of any review for a possible change that does not indicate the direction of the possible change, in the rating accorded any of the securities of the Company or any of its subsidiaries by any "nationally recognized statistical rating organization," as such term is defined in Section 3(a)(62) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"); and

(iii) there shall not have occurred any change, or any development involving a prospective change, in the condition, financial or otherwise, or in the earnings, business or operations of the Company and its subsidiaries, taken as a whole, from that set forth in the Time of Sale Prospectus that, in the Representatives' judgment, is material and adverse and that makes it, in the Representatives' judgment, impracticable to market the Shares on the terms and in the manner contemplated in the Time of Sale Prospectus.

(b) The Underwriters shall have received on the Closing Date a certificate, dated the Closing Date and signed by an executive officer of the Company, to the effect set forth in Sections 5(a)(i) and 5(a)(ii) above and to the effect that the representations and warranties of the Company contained in this Agreement are true and correct in all material respects as of the Closing Date and that the Company has complied with all of the agreements and satisfied all of the conditions on its part to be performed or satisfied hereunder on or before the Closing Date.

The officer signing and delivering such certificate may rely upon the best of his or her knowledge as to proceedings threatened.

(c) The Underwriters shall have received on the Closing Date an opinion and negative assurance letter of Latham & Watkins LLP, outside counsel for the Company, dated the Closing Date, in form and substance reasonably satisfactory to the Representatives.

(d) The Underwriters shall have received on the Closing Date an opinion and negative assurance letter of Davis Polk & Wardwell LLP, counsel for the Underwriters, dated the Closing Date, in form and substance reasonably satisfactory to the Representatives.

(e) The Underwriters shall have received, on each of the date hereof and the Closing Date, a letter dated the date hereof or the Closing Date, as the

case may be, in form and substance satisfactory to the Representatives, from Deloitte & Touche LLP, independent public accountants, containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained in the Registration Statement, the Time of Sale Prospectus and the Prospectus; *provided* that the letter delivered on the Closing Date shall use a "cut-off date" not earlier than the date hereof.

(f) The Underwriters shall have received, on each of the date hereof and the Closing Date, a certificate dated the date hereof or the Closing Date, as the case may be, and signed by the chief financial officer of the Company, in his capacity as such, with respect to certain financial and accounting information in the Registration Statement, the Time of Sale Prospectus and the Prospectus, in form and substance reasonably satisfactory to the Representatives.

(g) The "lock-up" agreements, each substantially in the form of Exhibit A hereto, between the Representatives and certain stockholders, officers and directors of the Company relating to restrictions on sales and certain other dispositions of shares of Common Stock or certain other securities, delivered to the Representatives on or before the date hereof (the "**Lock-up Agreements**"), shall be in full force and effect on the Closing Date.

(h) The several obligations of the Underwriters to purchase Additional Shares hereunder are subject to the delivery to the Representatives on the applicable Option Closing Date of the following:

(i) a certificate, dated the Option Closing Date and signed by an executive officer of the Company, confirming that the certificate delivered on the Closing Date pursuant to Section 5(b) hereof remains true and correct as of such Option Closing Date;

(ii) an opinion and negative assurance letter of Latham & Watkins LLP, outside counsel for the Company, dated the Option Closing Date, relating to the Additional Shares to be purchased on such Option Closing Date and otherwise to the same effect as the opinion required by Section 5(c) hereof;

(iii) an opinion and negative assurance letter of Davis Polk & Wardwell LLP, counsel for the Underwriters, dated the Option Closing Date, relating to the Additional Shares to be purchased on such Option Closing Date and otherwise to the same effect as the opinion required by Section 5(d) hereof;

(iv) a letter dated the Option Closing Date, in form and substance satisfactory to the Representatives, from Deloitte & Touche LLP, independent public accountants, substantially in the same form and substance as the letter furnished to the Underwriters pursuant to Section 5(e) hereof; *provided* that the letter delivered on the Option Closing Date shall use a"cut-off date" not earlier than two business days prior to such Option Closing Date;

(v) a certificate, dated the Option Closing Date and signed by the chief financial officer of the Company, substantially in the same form and substance as the certificate delivered to the Underwriters pursuant to Section 5(f) hereof; and

(vi) such other documents as the Representatives may reasonably request with respect to the good standing of the Company, the due authorization and issuance of the Additional Shares to be sold on such Option Closing Date and other matters related to the issuance of such Additional Shares.

6. *Covenants of the Company*. The Company covenants with each Underwriter as follows:

(a) To furnish to the Representatives, without charge, three conformed copies of the Registration Statement (including exhibits thereto) and for delivery to each other Underwriter a conformed copy of the Registration Statement (without exhibits thereto) and to furnish to the Representatives in New York City, without charge, prior to 10:00 a.m., New York City time, on the business day next succeeding the date of this Agreement and during the period mentioned in Section 6(e) or 6(f) below, as many copies of the Time of Sale Prospectus, the Prospectus and any supplements and amendments thereto or to the Registration Statement as the Representatives may reasonably request.

(b) Before amending or supplementing the Registration Statement, the Time of Sale Prospectus or the Prospectus, to furnish to the Representatives a copy of each such proposed amendment or supplement and not to file any such proposed amendment or supplement to which the Representatives reasonably object, and to file with the Commission within the applicable period specified in Rule 424(b) under the Securities Act any prospectus required to be filed pursuant to such Rule.

(c) To furnish to the Representatives a copy of each proposed free writing prospectus to be prepared by or on behalf of, used by, or referred to by the Company and not to use or refer to any proposed free writing prospectus to which the Representatives reasonably object.

(d) Not to take any action that would result in an Underwriter or the Company being required to file with the Commission pursuant to Rule 433(d) under the Securities Act a free writing prospectus prepared by or on behalf of the Underwriter that the Underwriter otherwise would not have been required to file thereunder.

(e) If the Time of Sale Prospectus is being used to solicit offers to buy the Shares at a time when the Prospectus is not yet available to prospective purchasers and any event shall occur or condition exist as a result of which it is necessary to amend or supplement the Time of Sale Prospectus in order to make the statements therein, in the light of the circumstances, not misleading, or if any event shall occur or condition exist as a result of which the Time of Sale Prospectus conflicts with the information contained in the Registration Statement then on file, or if, in the opinion of counsel for the Underwriters, it is necessary to amend or supplement the Time of Sale Prospectus to comply with applicable law, forthwith to prepare, file with the Commission and furnish, at its own expense, to the Underwriters and to any dealer upon request, either amendments or supplements to the Time of Sale Prospectus so that the statements in the Time of Sale Prospectus as so amended or supplemented will not, in the light of the circumstances when the Time of Sale Prospectus is delivered to a prospective purchaser, be misleading or so that the Time of Sale Prospectus, as amended or supplemented, will no longer conflict with the Registration Statement, or so that the Time of Sale Prospectus, as amended or supplemented, will comply with applicable law.

(f) If, during such period after the first date of the public offering of the Shares as in the opinion of counsel for the Underwriters the Prospectus (or in lieu thereof the notice referred to in Rule 173(a) of the Securities Act) is required by law to be delivered in connection with sales by an Underwriter or dealer, any event shall occur or condition exist as a result of which it is necessary to amend or supplement the Prospectus in order to make the statements therein, in the light of the circumstances when the Prospectus (or in lieu thereof the notice referred to in Rule 173(a) of the Securities Act) is delivered to a purchaser, not misleading, or if, in the opinion of counsel for the Underwriters, it is necessary to amend or supplement the Prospectus to comply with applicable law, forthwith to prepare, file with the Commission and furnish, at its own expense, to the Underwriters and to the dealers (whose names and addresses the Representatives will furnish to the Company) to which Shares may have been sold by the Representatives on behalf of the Underwriters and to any other dealers upon request, either amendments or supplements to the Prospectus so that the statements in the Prospectus as so amended or supplemented will not, in the light of the circumstances when the Prospectus (or in lieu thereof the notice referred to in Rule 173(a) of the Securities Act) is delivered to a purchaser, be misleading or so that the Prospectus, as amended or supplemented, will comply with applicable law.

(g) To endeavor to qualify the Shares for offer and sale under the securities or Blue Sky laws of such jurisdictions as the Representatives shall reasonably request.

(h) To make generally available to the Company's security holders and to the Representatives as soon as practicable an earnings statement covering a period of at least twelve months beginning with the first fiscal quarter of the Company occurring after the date of this Agreement which shall satisfy the provisions of Section 11(a) of the Securities Act and the rules and regulations of the Commission thereunder; *provided* that the Company will be deemed to have furnished such statement to its security holders and the Representatives to the extent it is filed on the Commission's Electronic Data Gathering, Analysis, and Retrieval System or any successor thereto.

(i) Whether or not the transactions contemplated in this Agreement are consummated or this Agreement is terminated, to pay or cause to be paid all expenses incident to the performance of its obligations under this Agreement, including, if applicable: (i) the fees, disbursements and expenses of the Company's counsel and the Company's accountants in connection with the registration and delivery of the Shares under the Securities Act and all other fees or expenses in connection with the preparation and filing of the Registration Statement, any preliminary prospectus, the Time of Sale Prospectus, the Prospectus, any free writing prospectus prepared by or on behalf of, used by, or referred to by the Company and amendments and supplements to any of the foregoing, including all printing costs associated therewith, and the mailing and delivering of copies thereof to the Underwriters and dealers, in the quantities hereinabove specified; (ii) all costs and expenses related to the transfer and delivery of the Shares to the Underwriters, including any transfer or other taxes payable thereon; (iii) the reasonable and documented cost of printing or producing any Blue Sky or Legal Investment memorandum in connection with the offer and sale of the Shares under state securities laws and all expenses in connection with the qualification of the Shares for offer and sale under state securities laws as provided in Section 6(g) hereof, including filing fees and the fees and disbursements of counsel for the Underwriters in connection with such qualification and in connection with the Blue Sky or Legal Investment memorandum (such fees and expenses of counsel in an aggregate amount not to exceed $10,000); (iv) all filing fees and the fees and disbursements of counsel to the Underwriters incurred in connection with the review and qualification of the offering of the Shares by the Financial Industry Regulatory Authority (such fees and expenses of counsel in an aggregate amount not to exceed $35,000); (v) all fees and expenses in connection with the preparation and filing of the registration statement on Form 8-A relating to the Common Stock and all costs and expenses incident to listing the Shares on the NYSE; (vi) the cost of printing certificates representing the Shares, (vii) the costs and charges of any transfer agent, registrar or depositary; (viii) the Company's own costs and expenses relating to investor presentations on any "road show" undertaken in connection with the marketing of the offering of the Shares, including, without limitation, expenses associated with the preparation or dissemination of any electronic road show, expenses associated with the production of road show slides and graphics, fees and expenses of any consultants engaged in connection with the road show presentations with the prior approval of the Company, travel, including aircraft use, and lodging expenses of the representatives and officers of the Company and any such consultants, and fifty percent (50%) of the cost of any aircraft chartered in connection with the road show (the remaining fifty percent (50%) of such aircraft costs to be paid by the Underwriters), (ix) the document production charges and expenses associated

with printing this Agreement; (x) all reasonably incurred fees and disbursements of counsel incurred by Morgan Stanley & Co. LLC in connection with the Directed Share Program and stamp duties, similar taxes or duties or other taxes, if any, incurred by Morgan Stanley & Co. LLC in connection with the Directed Share Program; and (xi) all other costs and expenses incident to the performance of the obligations of the Company hereunder for which provision is not otherwise made in this Section. It is understood, however, that except as provided in this Section, Section 8 entitled "Indemnity and Contribution", Section 9 entitled "Directed Share Program Indemnification" and the last paragraph of Section 11 below, the Underwriters will pay all of their costs and expenses, including fees and disbursements of their counsel, stock transfer taxes payable on resale of any of the Shares by them and any advertising expenses connected with any offers they may make.

(j) To comply with all applicable securities and other laws, rules and regulations in each jurisdiction in which the Directed Shares are offered in connection with the Directed Share Program.

(k) If at any time following the distribution of any Testing-the-Waters Communication that is a written communication within the meaning of Rule 405 under the Securities Act there occurred or occurs an event or development as a result of which such Testing-the-Waters Communication included or would include an untrue statement of a material fact or omitted or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at that subsequent time, not misleading, the Company will promptly notify the Representatives and will promptly amend or supplement, at its own expense, such Testing-the-Waters Communication to eliminate or correct such untrue statement or omission.

(l) The Company will deliver to each Underwriter (or its agent), on the date of execution of this Agreement, a properly completed and executed Certification Regarding Beneficial Owners of Legal Entity Customers, together with copies of identifying documentation, and the Company undertakes to provide such additional supporting documentation as each Underwriter may reasonably request in connection with the verification of the foregoing Certification.

The Company also covenants with each Underwriter that, without the prior written consent of Goldman Sachs & Co. LLC and Morgan Stanley & Co. LLC on behalf of the Underwriters, it will not, and will not publicly disclose an intention to, during the period ending 180 days after the date of the Prospectus (the "**Restricted Period**"), (1) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock or (2) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Common Stock, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of Common Stock or such other securities, in cash or otherwise or (3) file any registration statement with the Commission relating to the offering of any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock.

The restrictions contained in the preceding paragraph shall not apply to (A) the Shares to be sold hereunder; (B) the issuance by the Company of shares of Common Stock upon the exercise of an option or warrant, the vesting of a restricted stock unit or the conversion of a security outstanding on the date hereof as described in each of the Time of Sale Prospectus and Prospectus; (C) the grant of compensatory equity-based awards, and/or the issuance of shares of Common Stock with respect thereto, or the filing of any registration statement on Form S-8 (including any resale registration statement on Form S-8) relating to securities granted, issued or to be granted pursuant to any plan described in the Time of Sale Prospectus or any assumed benefit plan contemplated by clause (B); (D) Common Stock or any securities convertible into, or exercisable or exchangeable for, Common Stock, or the entrance into an agreement to issue Common Stock or any securities convertible into, or exercisable or exchangeable for, Common Stock, in connection with any merger, joint venture, strategic alliances, commercial or other collaborative transaction or the acquisition or license of the business, property, technology or other assets of another individual or entity or the assumption of an employee benefit plan in connection with a merger or acquisition; *provided* that the aggregate number of Common Stock or any securities convertible into, or exercisable or exchangeable for, Common Stock that the Company may issue or agree to issue pursuant to this clause (D) shall not exceed 10% of the total outstanding share capital of the Company immediately following the issuance of the Shares; and *provided further*, that the recipients of any such shares of Common Stock and securities issued pursuant to this clause (D) during the 180-day restricted period described above shall enter into an agreement substantially in the form attached hereto as Exhibit A on or prior to such issuance; (E) the filing or confidential submission of any registration statement relating to any proposed offering of shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock beneficially owned by the stockholders named in Schedule III hereto (or their transferees), *provided that*, no sale of any Common Stock shall be made during the term of the Lock-up Agreements signed by such stockholders without the prior written release, waiver or consent from Goldman Sachs & Co. LLC and Morgan Stanley & Co. LLC; or (F) facilitating the establishment of a trading plan on behalf of a stockholder, officer or director of the Company pursuant to Rule 10b5-1 under the Exchange Act for the transfer of shares of Common Stock, *provided* that (i) such plan does not provide for the transfer of Common Stock during the Restricted Period and (ii) to the extent a public announcement or filing under the Exchange Act, if any, is required of or voluntarily made by the Company regarding the establishment of such plan, such announcement or filing shall include a statement to the effect that no transfer of Common Stock may be made under such plan during the Restricted Period.

If Goldman Sachs & Co. LLC and Morgan Stanley & Co. LLC, in their sole discretion, agree to release or waive the restrictions on the transfer of Shares set forth in a Lock-up Agreement for an officer or director of the Company and provide the Company with notice of the impending release or waiver at least three business days before the effective date of the release or waiver, the Company agrees to announce the impending release or waiver by a press release substantially in the form of Exhibit B hereto through a major news service or any other method that satisfies the obligations described in FINRA Rule 5131(d) at least two business days before the effective date of the release or waiver.

7. *Covenants of the Underwriters*. Each Underwriter, severally and not jointly, covenants with the Company not to take any action that would result in the Company being required to file with the Commission under Rule 433(d) a free writing prospectus prepared by or on behalf of such Underwriter that otherwise would not be required to be filed by the Company thereunder, but for the action of the Underwriter.

8. *Indemnity and Contribution*. (a) The Company agrees to indemnify and hold harmless each Underwriter, each person, if any, who controls any Underwriter within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act and each affiliate of any Underwriter within the meaning of Rule 405 under the Securities Act from and against any and all losses, claims, damages and liabilities (including, without limitation, any legal or other expenses reasonably incurred in connection with defending or investigating any such action or claim) that arise out of, or are based upon, any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or any amendment thereof, any preliminary prospectus, the Time of Sale Prospectus or any amendment or supplement thereto, any issuer free writing prospectus as defined in Rule 433(h) under the Securities Act, any Company information that the Company has filed, or is required to file, pursuant to Rule 433(d) under the Securities Act, any "road show" as defined in Rule 433(h) under the Securities Act (a "road show"), the Prospectus or any amendment or supplement thereto, or any Testing-the-Waters Communication or arise out of, or are based upon, 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, except insofar as such losses, claims, damages or liabilities arise out of, or are based upon, any such untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use therein, it being understood and agreed that the only such information furnished by the Underwriters through the Representatives consists of the information described as such in paragraph (b) below.

(b) Each Underwriter agrees, severally and not jointly, to indemnify and hold harmless the Company, its directors, its officers who sign the Registration Statement 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 Underwriter, but only with reference to information relating to such Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use in the Registration Statement, any preliminary prospectus, the Time of Sale Prospectus, any issuer free writing prospectus, road show or the Prospectus or any amendment or supplement thereto,

it being understood and agreed upon that the only such information furnished by any Underwriter consists of the following information in the Prospectus furnished on behalf of each Underwriter: the information in the third paragraph regarding the Underwriters' offering of the Shares, the seventh paragraph regarding discretionary sales and the thirteenth paragraph concerning the Underwriters' stabilization activities under "Underwriting (Conflicts of Interest)" (such information, the "**Underwriter Information**").

(c) In case any proceeding (including any governmental investigation) shall be instituted involving any person in respect of which indemnity may be sought pursuant to Section 8(a) or 8(b), such person (the "**indemnified party**") shall promptly notify the person against whom such indemnity may be sought (the "**indemnifying party**") in writing and the indemnifying party, upon request of the indemnified party, shall retain counsel reasonably satisfactory to the indemnified party to represent the indemnified party and any others the indemnifying party may designate in such proceeding and shall pay the reasonably incurred fees and disbursements of such counsel related to such proceeding. 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 and to the indemnifying party paying for such counsel's reasonably incurred fees and disbursements or (ii) the named parties to any such proceeding (including any impleaded parties) include both the indemnifying party and the indemnified party and representation of both parties by the same counsel would be inappropriate due to actual or potential conflict of interests between them. It is understood and agreed that the indemnifying party shall not, in respect of the legal expenses of any indemnified party in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all such indemnified parties and that all such fees and expenses shall be reimbursed as they are incurred. Such firm shall be designated in writing by the Representatives, in the case of parties indemnified pursuant to Section 8(a), or by the Company, in the case of parties indemnified pursuant to Section 8(b). 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 agrees to indemnify the indemnified party from and against any loss or liability by reason of such settlement or judgment. No indemnifying party shall, without the prior written consent of the indemnified party, 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 on claims that are the subject matter of such proceeding and does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.

(d) To the extent the indemnification provided for in Section 8(a) or 8(b) is unavailable to an indemnified party or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then each indemnifying party under such paragraph, in lieu of indemnifying such indemnified party thereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriters on the other hand from the offering of the Shares or (ii) if the allocation provided by clause 8(d)(i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause 8(d)(i) above but also the relative fault of the Company on the one hand and of the Underwriters on the other hand in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Underwriters on the other hand in connection with the offering of the Shares shall be deemed to be in the same respective proportions as the net proceeds from the offering of the Shares (before deducting expenses) received by the Company and the total underwriting discounts and commissions received by the Underwriters, in each case as set forth in the table on the cover of the Prospectus, bear to the aggregate Public Offering Price of the Shares. The relative fault of the Company on the one hand and the Underwriters on the other hand 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 or by the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Underwriters' respective obligations to contribute pursuant to this Section 8 are several in proportion to the respective number of Shares they have purchased hereunder, and not joint.

(e) The Company and the Underwriters agree that it would not be just or equitable if contribution pursuant to this Section 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 Section 8(d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages and liabilities referred to in Section 8(d) 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. Notwithstanding the provisions of this Section 8, no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Shares underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages that such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. 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. The remedies provided for in this Section 8 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any indemnified party at law or in equity.

(f) The indemnity and contribution provisions contained in this Section 8 and the representations, warranties and other statements of the Company contained in this Agreement shall remain operative and in full force and effect regardless of (i) any termination of this Agreement, (ii) any investigation made by or on behalf of any Underwriter, any person controlling any Underwriter or any affiliate of any Underwriter or by or on behalf of the Company, its officers or directors or any person controlling the Company and (iii) acceptance of and payment for any of the Shares.

9. *Directed Share Program Indemnification.* (a) The Company agrees to indemnify and hold harmless Morgan Stanley & Co. LLC, each person, if any, who controls Morgan Stanley & Co. LLC within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act and each affiliate of Morgan Stanley & Co. LLC within the meaning of Rule 405 of the Securities Act ("**Morgan Stanley & Co. LLC Entities**") from and against any and all losses, claims, damages and liabilities (including, without limitation, any legal or other expenses reasonably incurred in connection with defending or investigating any such action or claim) (i) that arise out of, or are based upon, any untrue statement or alleged untrue statement of a material fact contained in any material prepared by or with the consent of the Company for distribution to Participants in connection with the Directed Share Program or caused by 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; (ii) that arise out of, or are based upon, the failure of any Participant to pay for and accept delivery of Directed Shares that the Participant agreed to by 11:59 p.m., New York City time, on the date of this Agreement; or (iii) related to, arising out of, or in connection with the Directed Share Program, other than losses, claims, damages or liabilities (or expenses relating thereto) that are finally judicially determined to have resulted from the bad faith or gross negligence of any of the Morgan Stanley & Co. LLC Entities.

(b) In case any proceeding (including any governmental investigation) shall be instituted involving any Morgan Stanley & Co. LLC Entity in respect of which indemnity may be sought pursuant to Section 9(a), the Morgan Stanley & Co. LLC Entity seeking indemnity, shall promptly notify the Company in writing and the Company, upon request of the Morgan Stanley & Co. LLC Entity, shall retain counsel reasonably satisfactory to the Morgan Stanley & Co. LLC Entity to represent the Morgan Stanley & Co. LLC Entity and any others the Company may designate in such proceeding and shall pay the reasonably incurred fees and disbursements of such counsel related to such proceeding. In any such proceeding, any Morgan Stanley & Co. LLC Entity shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Morgan Stanley & Co. LLC Entity unless (i) the Company shall have agreed to the retention of such counsel and to the Company paying for such counsel's reasonably incurred fees and disbursements or (ii) the named parties to

any such proceeding (including any impleaded parties) include both the Company and the Morgan Stanley & Co. LLC Entity and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. The Company shall not, in respect of the legal expenses of the Morgan Stanley & Co. LLC Entities in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the reasonably incurred fees and expenses of more than one separate firm (in addition to any local counsel) for all Morgan Stanley & Co. LLC Entities. Any such separate firm for the Morgan Stanley & Co. LLC Entities shall be designated in writing by Morgan Stanley & Co. LLC. The Company 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 Company agrees to indemnify the Morgan Stanley & Co. LLC Entities from and against any loss or liability by reason of such settlement or judgment. The Company shall not, without the prior written consent of Morgan Stanley & Co. LLC, effect any settlement of any pending or threatened proceeding in respect of which any Morgan Stanley & Co. LLC Entity is or could have been a party and indemnity could have been sought hereunder by such Morgan Stanley & Co. LLC Entity, unless such settlement includes an unconditional release of the Morgan Stanley & Co. LLC Entities from all liability on claims that are the subject matter of such proceeding.

(c) To the extent the indemnification provided for in Section 9(a) is unavailable to a Morgan Stanley & Co. LLC Entity or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then the Company in lieu of indemnifying the Morgan Stanley & Co. LLC Entity thereunder, shall contribute to the amount paid or payable by the Morgan Stanley & Co. LLC Entity as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Morgan Stanley & Co. LLC Entities on the other hand from the offering of the Directed Shares or (ii) if the allocation provided by clause 9(c)(i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause 9(c)(i) above but also the relative fault of the Company on the one hand and of the Morgan Stanley & Co. LLC Entities on the other hand in connection with any statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Morgan Stanley & Co. LLC Entities on the other hand in connection with the offering of the Directed Shares shall be deemed to be in the same respective proportions as the net proceeds from the offering of the Directed Shares (before deducting expenses) and the total underwriting discounts and commissions received by the Morgan Stanley & Co. LLC Entities for the Directed Shares, bear to the aggregate Public Offering Price of the Directed Shares. If the loss, claim, damage or liability is caused by an untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact, the relative fault of the Company on the one hand and the Morgan Stanley & Co. LLC Entities on the other hand shall be determined by reference to, among other things, whether the untrue or alleged untrue statement or the omission or alleged omission relates to information supplied by the Company or by the Morgan Stanley & Co. LLC Entities and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(d) The Company and the Morgan Stanley & Co. LLC Entities agree that it would not be just or equitable if contribution pursuant to this Section 9 were determined by pro rata allocation (even if the Morgan Stanley & Co. LLC Entities 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 Section 9(c). The amount paid or payable by the Morgan Stanley & Co. LLC Entities as a result of the losses, claims, damages and liabilities 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 the Morgan Stanley & Co. LLC Entities in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 9, no Morgan Stanley & Co. LLC Entity shall be required to contribute any amount in excess of the amount by which the total price at which the Directed Shares distributed to the public were offered to the public exceeds the amount of any damages that such Morgan Stanley & Co. LLC Entity has otherwise been required to pay. The remedies provided for in this Section 9 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any indemnified party at law or in equity.

(e) The indemnity and contribution provisions contained in this Section 9 shall remain operative and in full force and effect regardless of (i) any termination of this Agreement, (ii) any investigation made by or on behalf of any Morgan Stanley & Co. LLC Entity or the Company, its officers or directors or any person controlling the Company and (iii) acceptance of and payment for any of the Directed Shares.

10. *Termination*. The Underwriters may terminate this Agreement by notice given by the Representatives to the Company, if after the execution and delivery of this Agreement and prior to or on the Closing Date or any Option Closing Date, as the case may be, (i) trading generally shall have been suspended or materially limited on, or by, as the case may be, any of the New York Stock Exchange, the NYSE American or the NASDAQ Global Market, (ii) trading of any securities of the Company shall have been suspended on any exchange or in any over-the-counter market, (iii) a material disruption in securities settlement, payment or clearance services in the United States or other relevant jurisdiction shall have occurred, (iv) any moratorium on commercial banking activities shall have been declared by Federal or New York State authorities or (v) there shall have occurred any outbreak or escalation of hostilities, or any change in financial markets or any calamity or crisis that, in the Representatives' judgment, is material and adverse and which, singly or together with any other event specified in this clause (v), makes it, in the Representatives' judgment, impracticable or inadvisable to proceed with the offer, sale or delivery of the Shares on the terms and in the manner contemplated in the Time of Sale Prospectus or the Prospectus.

11. *Effectiveness; Defaulting Underwriters*. This Agreement shall become effective upon the execution and delivery hereof by the parties hereto.

If, on the Closing Date or an Option Closing Date, as the case may be, any one or more of the Underwriters shall fail or refuse to purchase Shares that it has or they have agreed to purchase hereunder on such date, and the aggregate number of Shares which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase is not more than one-tenth of the aggregate number of the Shares to be purchased on such date, the other Underwriters shall be obligated severally in the proportions that the number of Firm Shares set forth opposite their respective names in Schedule I bears to the aggregate number of Firm Shares set forth opposite the names of all such non-defaulting Underwriters, or in such other proportions as the Representatives may specify, to purchase the Shares which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase on such date; *provided* that in no event shall the number of Shares that any Underwriter has agreed to purchase pursuant to this Agreement be increased pursuant to this Section 11 by an amount in excess of one-ninth of such number of Shares without the written consent of such Underwriter. If, on the Closing Date, any Underwriter or Underwriters shall fail or refuse to purchase Firm Shares and the aggregate number of Firm Shares with respect to which such default occurs is more than one-tenth of the aggregate number of Firm Shares to be purchased on such date, and arrangements satisfactory to the Representatives and the Company for the purchase of such Firm Shares are not made within 36 hours after such default, this Agreement shall terminate without liability on the part of any non-defaulting Underwriter or the Company. In any such case either the Representatives or the Company shall have the right to postpone the Closing Date, but in no event for longer than seven days, in order that the required changes, if any, in the Registration Statement, in the Time of Sale Prospectus, in the Prospectus or in any other documents or arrangements may be effected. If, on an Option Closing Date, any Underwriter or Underwriters shall fail or refuse to purchase Additional Shares and the aggregate number of Additional Shares with respect to which such default occurs is more than one-tenth of the aggregate number of Additional Shares to be purchased on such Option Closing Date, thenon-defaulting Underwriters shall have the option to (i) terminate their obligation hereunder to purchase the Additional Shares to be sold on such Option Closing Date or (ii) purchase not less than the number of Additional Shares that such non-defaulting Underwriters would have been obligated to purchase in the absence of such default. Any action taken under this paragraph shall not relieve any defaulting Underwriter from liability in respect of any default of such Underwriter under this Agreement.

If this Agreement shall be terminated by the Underwriters, or any of them, because of any failure or refusal on the part of the Company to comply with the terms or to fulfill any of the conditions of this Agreement, or if for any reason the Company shall be unable to perform its obligations under this Agreement, the Company will reimburse the Underwriters or such Underwriters as have so terminated this Agreement with respect to themselves, severally, for all out-of-pocket expenses (including the reasonably incurred fees and disbursements of their counsel) reasonably incurred by such Underwriters in connection with this Agreement or the offering contemplated hereunder.

12. *Entire Agreement.* (a) This Agreement, together with any contemporaneous written agreements and any prior written agreements (to the extent not superseded by this Agreement) that relate to the offering of the Shares, represents the entire agreement between the Company and the Underwriters with respect to the preparation of any preliminary prospectus, the Time of Sale Prospectus, the Prospectus, the conduct of the offering, and the purchase and sale of the Shares.

(b) The Company acknowledges that in connection with the offering of the Shares: (i) the Underwriters have acted at arm's length, are not agents of, and owe no fiduciary duties to, the Company or any other person, (ii) the Underwriters owe the Company only those duties and obligations set forth in this Agreement, any contemporaneous written agreements and prior written agreements (to the extent not superseded by this Agreement), if any, (iii) the Underwriters may have interests that differ from those of the Company, and (iv) none of the activities of the Underwriters in connection with the transactions contemplated herein constitutes a recommendation, investment advice, or solicitation of any action by the Underwriters with respect to any entity or natural person. The Company waives to the full extent permitted by applicable law any claims it may have against the Underwriters arising from an alleged breach of fiduciary duty in connection with the offering of the Shares.

13. *Recognition of the U.S. Special Resolution Regimes.* (a) In the event that any Underwriter that is a Covered Entity becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer from such Underwriter of this Agreement, and any interest and obligation in or under this Agreement, will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement, and any such interest and obligation, were governed by the laws of the United States or a state of the United States.

(b) In the event that any Underwriter that is a Covered Entity or a BHC Act Affiliate of such Underwriter becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under this Agreement that may be exercised against such Underwriter are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States.

For purposes of this Section 13, a "**BHC Act Affiliate**" has the meaning assigned to the term "affiliate" in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k). "**Covered Entity**" means any of the following: (i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b); (ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or (iii) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b). "**Default Right**" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable. "**U.S. Special Resolution Regime**" means each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

14. *Counterparts*. This Agreement may be signed in two or more counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to this Agreement or any document to be signed in connection with this Agreement shall be deemed to include electronic signatures, deliveries or the keeping of records in electronic form. Counterparts may be delivered via facsimile, electronic mail (including any electronic signature covered by the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act, the Electronic Signatures and Records Act or other applicable law, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, and the parties hereto consent to conduct the transactions contemplated hereunder by electronic means.

15. *Applicable Law.* This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York.

16. *Headings*. The headings of the sections of this Agreement have been inserted for convenience of reference only and shall not be deemed a part of this Agreement.

17. *Notices.* All communications hereunder shall be in writing and effective only upon receipt and if to the Underwriters shall be delivered, mailed or sent to the Representatives in care of Goldman Sachs & Co. LLC, 200 West Street, New York, New York 10282, Attention: Registration Department; Morgan Stanley & Co. LLC, 1585 Broadway, New York, New York 10036, Attention: Equity Syndicate Desk, with a copy to the Legal Department; and BofA Securities, Inc., 1540 Broadway NY8-540-26-02, New York, New York 10036, Attention: Legal Department; if to the Company shall be delivered, mailed or sent to:

c/o Life Time Group Holdings, Inc.
2902 Corporate Place
Chanhassen, Minnesota 55317
Tel: 952-947-0000
Attention: Thomas E. Bergmann

With copies to:

Latham and Watkins LLP
555 Eleventh Street NW
Suite 100
Washington, DC 20004-1304
Tel: (202) 637-2201
Attention: Jason Licht

[*Signature Pages Follow*]

Very truly yours,

Life Time Group Holdings, Inc.

By: _____
Name:
Title:

Accepted as of the date hereof

Goldman Sachs & Co. LLC
Morgan Stanley & Co. LLC
BofA Securities, Inc.

Acting severally on behalf of themselves and the
several Underwriters named in Schedule I hereto

By: Goldman Sachs & Co. LLC

By: _____
Name:
Title:

By: Morgan Stanley & Co. LLC

By: _____
Name:
Title:

By: BofA Securities, Inc.

By: _____
Name:
Title:

SCHEDULE I

Underwriter	Number of Firm Shares To Be Purchased
Goldman Sachs & Co. LLC	
Morgan Stanley & Co. LLC	
BofA Securities, Inc.	
Deutsche Bank Securities Inc.	
J.P. Morgan Securities LLC	
Wells Fargo Securities	
BMO Capital Markets Corp.	
Mizuho Securities USA LLC	
RBC Capital Markets, LLC	
U.S. Bancorp Investments, Inc.	
Oppenheimer & Co. Inc.	
Guggenheim Securities, LLC	
TPG Capital BD, LLC	
Total:	[•]

SCHEDULE II

Time of Sale Prospectus

1. Preliminary Prospectus issued [•], 2021
2. Orally communicated pricing information:

   Underwritten Shares: [•]

   Additional Shares: [•]

   Public Offering Price Per Share: $[•]

SCHEDULE III

[Names of stockholders]

EXHIBIT A

[FORM OF LOCK-UP AGREEMENT]

[•], 2021

Goldman Sachs & Co. LLC
Morgan Stanley & Co. LLC
BofA Securities, Inc.

c/o Goldman Sachs & Co. LLC
200 West Street
New York, New York 10282

Morgan Stanley & Co. LLC
1585 Broadway
New York, New York 10036

BofA Securities, Inc.
One Bryant Park
New York, New York 10036

Ladies and Gentlemen:

The undersigned understands that Goldman Sachs & Co. LLC, Morgan Stanley & Co. LLC and BofA Securities, Inc. (collectively, the "**Representatives**") propose to enter into an Underwriting Agreement (the "**Underwriting Agreement**") with Life Time Group Holdings, Inc., a Delaware corporation (the "**Company**"), providing for the public offering (the "**Public Offering**") by the several Underwriters, including the Representatives (the "**Underwriters**"), of shares (the "**Shares**") of common stock, par value $0.01 per share, of the Company (the "**Common Stock**").

To induce the Underwriters that may participate in the Public Offering to continue their efforts in connection with the Public Offering, the undersigned hereby agrees that, without the prior written consent of Goldman Sachs & Co. LLC and Morgan Stanley & Co. LLC on behalf of the Underwriters, he, she or it will not, and will not publicly disclose an intention to, during the period commencing on the date hereof and ending 180 days after the date of the final prospectus (the "**Restricted Period"**) relating to the Public Offering (the "**Prospectus**"), (1) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock beneficially owned (as such term is used in Rule 13d-3 of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**")), by the undersigned or any other securities so owned convertible into or exercisable or exchangeable for Common Stock ("**Other Securities**") or (2) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Common Stock, whether any such transaction described in clause (1) or (2) above

is to be settled by delivery of Common Stock or such Other Securities, in cash or otherwise. The undersigned acknowledges and agrees that the foregoing precludes the undersigned from engaging in any hedging or other transaction designed or intended, or which could reasonably be expected to lead to or result in, a sale or disposition of any shares of Common Stock, or any securities convertible into or exercisable or exchangeable for Common Stock, even if any such sale or disposition transaction or transactions would be made or executed by or on behalf of someone other than the undersigned.

Notwithstanding the foregoing, the undersigned may transfer the undersigned's shares of Common Stock or Other Securities in the following transactions:

(a) transactions relating to shares of Common Stock or Other Securities acquired (1) in the Public Offering (subject to the restriction on shares purchased by officers or directors of the Company set forth below) or (2) in open market transactions after the completion of the Public Offering;

(b) transfers of shares of Common Stock or any security convertible into Common Stock as a bona fide gift, or for bona fide estate planning purposes;

(c) if the undersigned is a corporation, partnership, limited liability company or other business entity, (A) to another corporation, partnership, limited liability company or other business entity that is an affiliate (as defined in Rule 405 promulgated under the Securities Act of 1933, as amended) of the undersigned, or to any investment fund or other entity controlled or managed by the undersigned or affiliates of the undersigned, or (B) as part of a distribution by the undersigned to its stockholders, partners, members or other equityholders or to the estate of any such stockholders, partners, members or other equityholders;

(d) by will, other testamentary document or intestacy;

(e) to any member of the undersigned's immediate family or to any trust for the direct or indirect benefit of the undersigned or the immediate family of the undersigned, or if the undersigned is a trust, to a trustor or beneficiary of the trust or to the estate of a beneficiary of such trust (for purposes of this agreement, "immediate family" shall mean any relationship by blood, current or former marriage, domestic partnership or adoption, not more remote than first cousin);

(f) by operation of law, such as pursuant to a qualified domestic order, divorce settlement, divorce decree or separation agreement;

(g) facilitating the establishment of a trading plan on behalf of a stockholder, officer or director of the Company pursuant to Rule10b5-1 under the Exchange Act for the transfer of shares of Common Stock, *provided* that (i) such plan does not provide for the transfer of Common Stock during the Restricted Period and (ii) to the extent a public announcement or filing under the Exchange Act, if any, is required of or voluntarily made by or on behalf of the undersigned or the Company regarding the establishment of such

plan, such announcement or filing shall include a statement to the effect that no transfer of Common Stock may be made under such plan during the Restricted Period;

(h) transfers to the Company from an employee of or service provider of the Company upon death, disability or termination of employment, in each case, of such employee or service provider;

(i) (A) transfers to the Company in connection with the vesting, settlement, or exercise of restricted stock units, options, warrants or other rights to purchase shares of Common Stock (including, in each case, by way of "net" or "cashless" exercise), including for the payment of exercise price and tax and remittance payments due as a result of the vesting, settlement, or exercise of such restricted stock units, options, warrants or rights, or (B) transfers necessary (including transfers on the open market) to generate such amount of cash needed for the payment of taxes, including estimated taxes, due as a result of the vesting or settlement of restricted stock units whether by means of a "net settlement" or otherwise, and in all such cases described in subclauses (A) and (B), provided that any such shares of Common Stock received upon such exercise, vesting or settlement shall be subject to the terms of this agreement, and provided further that any such restricted stock units, options, warrants or rights are held by the undersigned pursuant to an agreement or are equity awards granted under a stock incentive plan or other equity award plan, with each such agreement or plan described in the Prospectus;

(j) transfers to the Company in connection with the repurchase of shares of Common Stock issued pursuant to equity awards granted under a stock incentive plan or other equity award plan, which plan is described in the Prospectus, or pursuant to the agreements pursuant to which such shares were issued, as described in the Prospectus; provided that such repurchase of shares of Common Stock is in connection with the termination of the undersigned's service-provider relationship with the Company;

(k) transfers pursuant to a bona fide third-party tender offer, merger, consolidation or other similar transaction that is approved by the Board of Directors of the Company and made to all holders of the Company's capital stock involving a Change of Control of the Company; *provided* that in the event that such tender offer, merger, consolidation or other similar transaction is not completed, the undersigned's Common Stock shall remain subject to the provisions of this agreement; and

(l) exercise of any rights to purchase, exchange or convert any stock options granted to the undersigned pursuant to the Company's equity incentive plans referred to in the Prospectus, or any warrants or other securities convertible into or exercisable or exchangeable for shares of Common Stock, which warrants or other securities are described in the Prospectus;

provided that in the case of clauses (a), (b), (c) and (e) above no filing under Section 16(a) of the Exchange Act shall be required or shall be voluntarily made in connection with such transfer or distribution (other than a filing on Form 5);

provided that in the case of clauses (d), (f), (h), (i), (j) and (l), (1) any filing under Section 16 of the Exchange Act made during the Lock-Up Period shall clearly indicate in the footnotes thereto that (A) the filing relates to the circumstances described in the applicable clause and (B) to the extent applicable, the underlying shares of Common Stock continue to be subject to the restrictions on transfer set forth in this lock-up agreement and (2) the undersigned does not otherwise voluntarily effect any other public filings or reports regarding such exercise during the Lock-Up Period;

provided that in the case of any transfer or distribution pursuant to clause (b), (c), (d), (e) or (f), each transferee, donee or distributee shall sign and deliver a lock-up agreement substantially in the form of this agreement;

provided that in the case of any conversion, reclassification, exchange or exercise pursuant to clause (l), any such shares of Common Stock received upon such action shall remain subject to the provisions of this agreement; and

provided that in the case of clauses (b), (c), (d) and (e), such transfer shall not involve a disposition for value.

For purposes of clause (k), "Change of Control" shall mean the transfer (whether by tender offer, merger, consolidation or other similar transaction), in one transaction or a series of related transactions, to a person or group of affiliated persons (as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended), of shares of capital stock if, after such transfer, such person or group of affiliated persons would beneficially own (as defined in Rules 13d-3 and 13d-5 under the Exchange Act) at least a majority of the outstanding voting securities of the Company (or the surviving entity).

If the undersigned is an officer or director of the Company, the undersigned further agrees that the foregoing restrictions shall be equally applicable to any issuer-directed Shares the undersigned may purchase in the offering.

If the undersigned is a director or "officer" of the Company (as defined in Rule 16a-1(f) under the Exchange Act), (i) the Representatives agree that, at least three business days before the effective date of any release or waiver of the foregoing restrictions in connection with a sale or transfer of shares of Common Stock or Other Securities, the Representatives will notify the Company of the impending release or waiver, and (ii) the Company will agree or has agreed in the Underwriting Agreement to announce the impending release or waiver by press release through a major news service or any other method that satisfies the obligations described in FINRA Rule 5131(d) at least two business days before the effective date of the release or waiver. Any release or waiver granted by Goldman Sachs & Co. LLC and Morgan Stanley & Co. LLC to any such officer or director shall only be effective two business days after the publication date of such press release. The provisions of this paragraph will not apply if (a) the release or waiver is effected solely to permit a transfer not for consideration or to an immediate family member as defined in FINRA Rule 5130(i)(5) and (b) the transferee has agreed in writing to be bound by the same terms described in this agreement to the extent and for the duration that such terms remain in effect at the time of the transfer.

The undersigned understands that the Company and the Underwriters are relying upon this agreement in proceeding toward consummation of the Public Offering. The undersigned further understands that this agreement is irrevocable and shall be binding upon the undersigned's heirs, legal representatives, successors and assigns.

The undersigned acknowledges and agrees that the Underwriters have not provided any recommendation or investment advice nor have the Underwriters solicited any action from the undersigned with respect to the Public Offering of the Shares and the undersigned has consulted their own legal, accounting, financial, regulatory and tax advisors to the extent deemed appropriate. The undersigned further acknowledges and agrees that, although the Underwriters may provide certain Regulation Best Interest and Form CRS disclosures or other related documentation to you in connection with the Public Offering, the Underwriters are not making a recommendation to you to participate in the Public Offering or sell any Shares at the price determined in the Public Offering, and nothing set forth in such disclosures or documentation is intended to suggest that any Underwriter is making such a recommendation.

The undersigned further acknowledges and agrees that none of the Underwriters has made any recommendation or provided any investment or other advice to the undersigned with respect to this Lock-Up Agreement or the subject matter hereof, and the undersigned has consulted its own legal, accounting, financial, regulatory, tax and other advisors with respect to this Lock-Up Agreement and the subject matter hereof to the extent the undersigned has deemed appropriate.

Whether or not the Public Offering actually occurs depends on a number of factors, including market conditions. Any Public Offering will only be made pursuant to an Underwriting Agreement, the terms of which are subject to negotiation between the Company and the Underwriters.

Notwithstanding anything herein to the contrary, if (i) the closing of the Public Offering has not occurred prior to December 31, 2021 (or March 31, 2022 if agreed in writing by each of Goldman Sachs & Co. LLC, Morgan Stanley & Co. LLC and the Company), (ii) the registration statement related to the Public Offering is withdrawn prior to the execution of the Underwriting Agreement, or (iii) the Company notifies the Representatives or the Representatives notify the Company, in either case in writing prior to the execution of the Underwriting Agreement, that the notifying party does not intend to proceed with the Public Offering, this agreement shall automatically terminate and be of no further force or effect.

The undersigned hereby consents to receipt of this agreement in electronic form and understands and agrees that this agreement may be signed electronically. In the event that any signature is delivered by facsimile transmission, electronic mail, or otherwise by electronic transmission evidencing an intent to sign this agreement, such facsimile transmission, electronic mail or other electronic transmission shall create a valid and binding obligation of the undersigned with the same force and effect as if such signature were an original. Execution and delivery of this agreement by facsimile transmission, electronic mail or other electronic transmission is legal, valid and binding for all purposes.

This agreement shall be governed by and construed in accordance with the laws of the State of New York.

Very truly yours,

_____

(Name)

_____

(Address)

EXHIBIT B

[FORM OF WAIVER OF LOCK-UP]

[•], 2021

[Name and Address of
Officer or Director
Requesting Waiver]

Dear Mr./Ms. [Name]:

This letter is being delivered to Goldman Sachs & Co. LLC, Morgan Stanley & Co. LLC and BofA Securities, Inc. (collectively, the "**Representatives**") in connection with the offering by Life Time Group Holdings, Inc. (the "**Company**") of [•] shares of common stock, par value $0.01 per share (the "**Common Stock**"), of the Company and the lock-up agreement dated [•], 2021 (the "**Lock-up Agreement**"), executed by you in connection with such offering, and your request for a [waiver] [release] dated [•], 2021, with respect to [•] shares of Common Stock (the "**Shares**").

Goldman Sachs & Co. LLC and Morgan Stanley & Co. LLC hereby agree to [waive] [release] the transfer restrictions set forth in the Lock-up Agreement, but only with respect to the Shares, effective [•]; provided, however, that such [waiver] [release] is conditioned on the Company announcing the impending [waiver] [release] by press release through a major news service at least two business days before effectiveness of such [waiver] [release]. This letter will serve as notice to the Company of the impending [waiver] [release].

Except as expressly [waived] [released] hereby, the Lock-up Agreement shall remain in full force and effect.

Very truly yours,

Goldman Sachs & Co. LLC
Morgan Stanley & Co. LLC

Acting severally on behalf of themselves and the several Underwriters named in Schedule I hereto

By: _____
Name:
Title:

By: _____
Name:
Title:

cc: Company

[FORM OF PRESS RELEASE]

Life Time Group Holdings, Inc.
[Date]

Life Time Group Holdings, Inc. (the "**Company**") announced today that Goldman Sachs & Co. LLC and Morgan Stanley & Co. LLC, joint book-running managers in the Company's recent public sale of [•] shares of its common stock, are [waiving][releasing] a lock-up restriction with respect to [•] shares of the Company's common stock held by [certain officers or directors] [an officer or director] of the Company. The [waiver][release] will take effect on [•], and the shares may be sold on or after such date.

This press release is not an offer for sale of the securities in the United States or in any other jurisdiction where such offer is prohibited, and such securities may not be offered or sold in the United States absent registration or an exemption from registration under the United States Securities Act of 1933, as amended.

AMENDED AND RESTATED

CERTIFICATE OF INCORPORATION

OF

LIFE TIME GROUP HOLDINGS, INC.

The name of the corporation is Life Time Group Holdings, Inc. (the "Corporation"). The Corporation was incorporated under the name "LTF Holdings, Inc." by the filing of its original certificate of incorporation with the Secretary of State of the State of Delaware on March 13, 2015 (as amended prior to the date hereof, the "Certificate of Incorporation"). This Amended and Restated Certificate of Incorporation of the Corporation, which amends, restates and integrates and also further amends the provisions of the Certificate of Incorporation, was duly adopted in accordance with the provisions of Sections 242 and 245 of the General Corporation Law of the State of Delaware (the "DGCL") and by the written consent of the Corporation's stockholders in accordance with Section 228 of the DGCL. The Certificate of Incorporation is hereby amended, integrated and restated to read in its entirety as follows:

ARTICLE I
NAME

The name of the Corporation is Life Time Group Holdings, Inc.

ARTICLE II
REGISTERED OFFICE AND AGENT

The address of the Corporation's registered office in the State of Delaware is 850 New Burton Road, Suite 201, in the City of Dover, County of Kent, Delaware, 19904. The name of its registered agent at such address is Cogency Global Inc.

ARTICLE III
PURPOSE AND DURATION

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

ARTICLE IV
CAPITAL STOCK

The total number of shares of all classes of stock that the Corporation shall have authority to issue is [●], which shall be divided into two classes as follows:

[●] shares of common stock, par value $0.01 per share ("Common Stock"); and

[●] shares of preferred stock, par value $0.01 per share ("Preferred Stock").

Section 1. Subject to the rights of the holders of any series of Preferred Stock, the number of authorized shares of any of the Common Stock or Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority in voting power of the stock of the Corporation entitled to vote thereon irrespective of the provisions of Section 242(b)(2) of the DGCL or any successor provision thereof, and no vote of the holders of any shares of Common Stock or Preferred Stock voting separately as a class shall be required therefor.

Section 2. Shares of Preferred Stock may be issued from time to time in one or more series. The Board of Directors of the Corporation (the "Board") is hereby authorized to provide from time to time by resolution or resolutions for the creation and issuance, out of the authorized and unissued shares of Preferred Stock, of one or more series of Preferred Stock by filing a certificate (a "Certificate of Designation") with the Secretary of State of the State of Delaware pursuant to the DGCL, setting forth such resolution or resolutions and, with respect to each such series, establishing the designation of such series and the number of shares to be included in such series and fixing the terms of such series, the voting powers (full or limited, or no voting power), preferences and relative, participating, optional or other special rights, and the qualifications, limitations and restrictions thereof, of the shares of each such series, including without limitation thereof, dividend rights, conversion rights, redemption privileges and liquidation preferences, as shall be stated and expressed in such resolutions, all to the fullest extent now or hereafter permitted by the DGCL. Without limiting the generality of the foregoing, and subject to the rights of the holders of any series of Preferred Stock then outstanding, the resolution or resolutions providing for the establishment of any series of Preferred Stock may, to the extent permitted by law, provide that such series shall be superior to, rank equally with or be junior to the Preferred Stock of any other series. The terms, voting powers, preferences and relative, participating, optional and other special rights, and the qualifications, limitations or restrictions thereof, of each series of Preferred Stock may be different from those of any and all other series at any time outstanding. Except as otherwise expressly provided in this Amended and Restated Certificate of Incorporation (including any Certificate of Designation relating to any series of Preferred Stock), no vote of the holders of shares of Preferred Stock or Common Stock shall be a prerequisite to the issuance of any shares of any series of the Preferred Stock so authorized in accordance with this Amended and Restated Certificate of Incorporation (including any Certificate of Designation relating to any series of Preferred Stock). Except as otherwise required by law, holders of Common Stock shall not be entitled to vote on any amendment to this Amended and Restated Certificate of Incorporation (including any Certificate of Designation relating to any series of Preferred Stock) that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to this Amended and Restated Certificate of Incorporation (including any Certificate of Designation relating to any series of Preferred Stock) or pursuant to the DGCL. Unless otherwise provided in the Certificate of Designation establishing a series of Preferred Stock, the Board may, by resolution or resolutions, increase or decrease (but not below the number of shares of such series then outstanding) the number of shares of such series and, if the number of shares of such series shall be so decreased, the shares constituting such decrease shall resume the status that they had prior to the adoption of the resolution or resolutions originally fixing the number of shares of such series.

ARTICLE V
BOARD OF DIRECTORS

For the management of the business and for the conduct of the affairs of the Corporation it is further provided that:

Section 1. Except as otherwise provided in this Amended and Restated Certificate of Incorporation and the DGCL, the business and affairs of the Corporation shall be managed by or under the direction of the Board. The number of directors which shall constitute the whole Board shall be fixed exclusively by one or more resolutions adopted from time to time by the Board. Except as otherwise expressly provided by the bylaws of the Corporation (as the same may be amended and/or restated from time to time, the "Bylaws") or delegated by resolution of the Board, the Board shall have the exclusive power and authority to appoint and remove officers of the Corporation.

Section 2. Other than any directors elected by the separate vote of the holders of one or more series of Preferred Stock, if applicable, the Board shall be and is divided into three classes, designated as Class I, Class II and Class III. Directors shall be assigned to each class in accordance with a resolution or resolutions adopted by the Board. At the first annual meeting of stockholders following the effectiveness of this Amended and Restated Certificate of Incorporation (the "Effective Time"), the term of office of the Class I directors shall expire and Class I directors shall be elected for a full term of three years. At the second annual meeting of stockholders following the Effective Time, the term of office of the Class II directors shall expire and Class II directors shall be elected for a full term of

three years. At the third annual meeting of stockholders following the Effective Time, the term of office of the Class III directors shall expire and Class III directors shall be elected for a full term of three years. Subject to any special rights of the holders of one or more series of Preferred Stock to elect directors, at each succeeding annual meeting of stockholders, directors shall be elected for a full term of three years to succeed the directors of the class whose terms expire at such annual meeting. No decrease in the number of directors shall shorten the term of any incumbent director. Any such director shall hold office until the annual meeting at which his or her term expires and until his or her successor shall be elected and qualified, or until his or her earlier death, resignation, disqualification or removal from office. The Board is authorized to assign members of the Board already in office as of the Effective Time to their respective class.

Section 3. Subject to any special rights of the holders of one or more series of Preferred Stock to elect directors, any director may be removed from office at any time, but only for cause and only by the affirmative vote of the holders of at least 66 2/3% of the voting power of the outstanding shares of stock of the Corporation entitled to vote on the election of such director; provided, however, that prior to the Trigger Event, any individual director may be removed with or without cause by the affirmative vote of the holders of a majority of the voting power of the outstanding shares of stock of the Corporation entitled to vote in the election of such director, voting together as a single class.

Section 4. Except as otherwise expressly required by law, and subject to any special rights of the holders of one or more series of Preferred Stock to elect directors, any vacancies on the Board resulting from death, resignation, disqualification, removal or other causes and any newly created directorships resulting from any increase in the number of directors shall be filled only by the affirmative vote of a majority of the directors then in office, even if less than a quorum, or by the sole remaining director, and shall not be filled by the stockholders. Any director appointed in accordance with the preceding sentence shall hold office for a term that shall coincide with the remaining term of the class to which the director shall have been appointed and until such director's successor shall have been elected and qualified or until his or her earlier death, resignation, disqualification or removal.

Section 5. During any period when the holders of any series of Preferred Stock have the special right to elect additional directors, upon commencement and for the duration of such period during which such right continues: (i) the then otherwise total authorized number of directors of the Corporation shall automatically be increased by such specified number of additional directors, and the holders of such series of Preferred Stock shall be entitled to elect the additional directors so provided for or fixed pursuant to the Certificate of Incorporation (including any Certificate of Designation establishing such series of Preferred Stock), and (ii) each such additional director shall serve until such director's successor shall have been duly elected and qualified, or until such director's right to hold such office terminates pursuant to the Certificate of Designation establishing such series of Preferred Stock, whichever occurs earlier, subject to his or her earlier death, resignation, disqualification or removal. Except as otherwise provided by this Amended and Restated Certificate of Incorporation (including any Certificate of Designation establishing any series of Preferred Stock), whenever the holders of any series of Preferred Stock having the special right to elect additional directors are divested of such right pursuant to this Amended and Restated Certificate of Incorporation (including pursuant to any such Certificate of Designation), the terms of office of all such additional directors elected by the holders of such series, or elected to fill any vacancies resulting from the death, resignation, disqualification or removal of such additional directors, shall forthwith terminate and the total authorized number of directors of the Corporation shall be reduced accordingly.

Section 6. The directors of the Corporation need not be elected by written ballot unless the Bylaws so provide.

Section 7. Except as may otherwise be set forth in the resolution or resolutions of the Board providing for the issuance of one or more series of Preferred Stock, and then only with respect to such series of Preferred Stock, cumulative voting in the election of directors is specifically denied.

ARTICLE VI
STOCKHOLDERS

Section 1. At any time prior to the Trigger Event, any action required or permitted to be taken by the stockholders of the Corporation may be taken without a meeting 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. From and after the Trigger Event, any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of the stockholders of the Corporation (and may not be taken by consent of the stockholders in lieu of a meeting); *provided*, *however*, that any action required or permitted to be taken by any holders of Preferred Stock, voting separately as a series or separately as a class with one or more other such series, may be taken without a meeting, without prior notice and without a vote, to the extent expressly so provided by the applicable Certificate of Designation relating to such series of Preferred Stock.

Section 2. Subject to the special rights of the holders of one or more series of Preferred Stock, special meetings of the stockholders of the Corporation may be called, for any purpose or purposes, at any time by the Chairman of the Board or a resolution adopted by the affirmative vote of the majority of the then-serving members of the Board, but such special meetings may not be called by stockholders or any other Person or Persons (as defined below). Notwithstanding the immediately preceding sentence, prior to the Trigger Event, special meetings of stockholders of the Corporation may be called by the Secretary of the Corporation at the request of either LGP or TPG.

Section 3. Advance notice of stockholder nominations for the election of directors and of other business proposed to be brought by stockholders before any meeting of the stockholders of the Corporation shall be given in the manner provided in the Bylaws of the Corporation.

ARTICLE VII
LIABILITY AND INDEMNIFICATION

Section 1. To the fullest extent permitted by the DGCL, as the same exists or as may hereafter be amended, a director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director. If the DGCL is amended after approval by the stockholders of this Article VII to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the DGCL as so amended, automatically and without further action, upon the date of such amendment.

Section 2. The Corporation, to the fullest extent permitted by law, shall indemnify and advance expenses to any Person made or threatened to be made a party to any action, suit or proceeding, whether criminal, civil, administrative or investigative, by reason of the fact that he or she is or was a director or officer of the Corporation or any predecessor of the Corporation, or, while serving as a director or officer of the Corporation, serves or served at any other enterprise as a director or officer at the request of the Corporation or any predecessor to the Corporation.

Section 3. The Corporation, to the fullest extent permitted by law, may indemnify and advance expenses to any Person made or threatened to be made a party to an action, suit or proceeding, whether criminal, civil, administrative or investigative, by reason of the fact that he or she is or was an employee or agent of the Corporation or any predecessor of the Corporation, or serves or served at any other enterprise as an employee or agent at the request of the Corporation or any predecessor to the Corporation.

Section 4. Neither any amendment nor repeal of this Article VII, nor the adoption by amendment of this Amended and Restated Certificate of Incorporation of any provision inconsistent with this Article VII, shall eliminate or reduce the effect of this Article VII in respect of any matter occurring, or any action or proceeding accruing or arising (or that, but for this Article VII, would accrue or arise) prior to such amendment or repeal or adoption of an inconsistent provision.

ARTICLE VIII
FORUM

Section 1. Unless the Corporation consents in writing to the selection of an alternative forum, (a) the Court of Chancery (the "Chancery Court") of the State of Delaware (or, in the event that the Chancery Court does not have jurisdiction, the federal district court for the District of Delaware or other state courts of the State of Delaware) shall, to the fullest extent permitted by law, be the sole and exclusive forum for (i) any derivative action, suit or proceeding brought on behalf of the Corporation, (ii) any action, suit or proceeding asserting a claim of breach of a fiduciary duty owed by any director, officer, employee or stockholder of the Corporation to the Corporation or to the Corporation's stockholders, (iii) any action, suit or proceeding arising pursuant to any provision of the DGCL or the Bylaws or this Amended and Restated Certificate of Incorporation (as it may be amended and/or restated from time to time) or (iv) any action, suit or proceeding asserting a claim against the Corporation governed by the internal affairs doctrine; and (b) subject to the preceding provisions of this Article VIII, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933, as amended. If any action the subject matter of which is within the scope of clause (a) of the immediately preceding sentence is filed in a court other than the courts in the State of Delaware (a "Foreign Action") in the name of any stockholder, such stockholder shall be deemed to have consented to (x) the personal jurisdiction of the state and federal courts in the State of Delaware in connection with any action brought in any such court to enforce the provisions of clause (a) of the immediately preceding sentence and (y) having service of process made upon such stockholder in any such action by service upon such stockholder's counsel in the Foreign Action as agent for such stockholder.

Section 2. Any person or entity purchasing or otherwise acquiring or holding any interest in any security of the Corporation shall be deemed to have notice of and consented to this Article VIII. Notwithstanding the foregoing, the provisions of this Article VIII shall not apply to suits brought to enforce any liability or duty created by the Exchange Act or any other claim for which the federal courts of the United States have exclusive jurisdiction.

ARTICLE IX
CERTAIN STOCKHOLDER RELATIONSHIPS

Section 1. In recognition and anticipation that (i) certain directors, principals, officers, employees and/or other representatives of the Principal Stockholders and their Affiliates (as defined below) may serve as directors, officers or agents of the Corporation, (ii) the Principal Stockholders and their Affiliates may now engage and may continue to engage in the same or similar activities or related lines of business as those in which the Corporation, directly or indirectly, may engage and/or other business activities that overlap with or compete with those in which the Corporation, directly or indirectly, may engage, and (iii) members of the Board who are not employees of the Corporation ("Non-Employee Directors") and their respective Affiliates may now engage and may continue to engage in the same or similar activities or related lines of business as those in which the Corporation, directly or indirectly, may engage and/or other business activities that overlap with or compete with those in which the Corporation, directly or indirectly, may engage, the provisions of this Article IX 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 any of the Principal Stockholders, the Non-Employee Directors or their respective Affiliates and the powers, rights, duties and liabilities of the Corporation and its directors, officers and stockholders in connection therewith.

Section 2. None of (i) the Principal Stockholders or any of their Affiliates or (ii) any Non-Employee Director or his or her Affiliates (the Persons identified in (i) and (ii) above being referred to, collectively, as "Identified Persons" and, individually, as an "Identified Person") shall, to the fullest extent permitted by law, have any duty to refrain from directly or indirectly (1) engaging 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 or (2) otherwise competing with the Corporation or any of its Affiliates, and, to the fullest extent permitted by law, no Identified Person shall be liable to the Corporation or its stockholders or to any Affiliate of the Corporation for breach of any fiduciary duty solely by reason of the fact that such Identified Person engages in any such activities. To the fullest extent permitted by law, the Corporation hereby renounces any interest or expectancy in, or right to be offered an opportunity to participate

in, any business opportunity which may be a corporate opportunity for an Identified Person and the Corporation or any of its Affiliates, except as provided in Section 3 of this Article IX. Subject to Section 3 of this Article IX, in the event that any Identified Person acquires knowledge of a potential transaction or other business opportunity which may be a corporate opportunity for itself, herself or himself and the Corporation or any of its Affiliates, such Identified Person shall, to the fullest extent permitted by law, 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 law, shall not be liable to the Corporation or its stockholders or to any Affiliate of the Corporation 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, herself or himself, or offers or directs such corporate opportunity to another Person.

Section 3. 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 solely in his or her capacity as a director or officer of the Corporation, and the provisions of Section 2 of this Article IX shall not apply to any such corporate opportunity.

Section 4. In addition to and notwithstanding the foregoing provisions of this Article IX, a corporate opportunity shall not be deemed to be a potential corporate opportunity for the Corporation if it is a business opportunity that (i) the Corporation is neither financially or legally able, nor contractually permitted, to undertake, (ii) from its nature, is not in the line of the Corporation's business (or is not under development and projected to grow into a material business for the Corporation) or is of no practical advantage to the Corporation or (iii) is one in which the Corporation has no interest or reasonable expectancy.

Section 5. For purposes of this Article IX, "Affiliate" shall mean (a) in respect of any Principal Stockholder, any Person that, directly or indirectly, is controlled by such Principal Stockholder, controls such Principal Stockholder or is under common control with such Principal Stockholder and shall include (i) any principal, member, director, partner, stockholder, officer, employee or other representative of any of the foregoing (other than the Corporation and any entity that is controlled by the Corporation) and (ii) any funds or vehicles advised by Affiliates of such Principal Stockholder, (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.

Section 6. To the fullest extent permitted by law, any Person purchasing or otherwise acquiring or holding any interest in any shares of capital stock of the Corporation shall be deemed to have notice of and to have consented to the provisions of this Article IX.

ARTICLE X
AMENDMENT OF THE CERTIFICATE OF INCORPORATION AND BYLAWS

Section 1. The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Amended and Restated Certificate of Incorporation, in the manner now or hereafter prescribed by this Amended and Restated Certificate of Incorporation and the DGCL, and all rights, preferences and privileges herein conferred upon stockholders, directors or any other persons herein are granted by and pursuant to this Amended and Restated Certificate of Incorporation in its current form or as hereafter amended are granted subject to the rights reserved in this Article X. Notwithstanding the foregoing, from and after the Trigger Event, notwithstanding any other provisions of this Amended and Restated Certificate of Incorporation or any provision of law which might otherwise permit a lesser vote or no vote, but in addition to any affirmative vote of the holders of any particular class or series of stock required by law or by this Amended and Restated Certificate of Incorporation (including any Certificate of Designation in respect of one or more series of Preferred Stock), the affirmative vote of the holders of at least 66 2/3% of the voting power of the outstanding shares of stock entitled to vote thereon, voting together as a single class, shall be required to alter, amend, repeal or adopt any provision inconsistent with any of Articles V, VI, VII, VIII, IX or this Article X.

Section 2. The Board is expressly authorized to make, repeal, alter, amend and rescind, in whole or in part, the Bylaws. Notwithstanding the foregoing, from and after the Trigger Event, notwithstanding any other provisions of this Amended and Restated Certificate of Incorporation or any provision of law which might otherwise permit a lesser vote or no vote, but in addition to any affirmative vote of the holders of any particular class or series of stock required by law or by this Amended and Restated Certificate of Incorporation (including any Certificate of Designation in respect of one or more series of Preferred Stock), the affirmative vote of the holders of at least 66 2/3% of the voting power of the outstanding shares of stock entitled to vote thereon, voting together as a single class, shall be required in order for the stockholders of the Corporation to alter, amend or repeal, in whole or in part, any provision of the Bylaws or to adopt any provision inconsistent therewith.

ARTICLE XI
DGCL SECTION 203

Section 1. The Corporation hereby expressly elects not to be governed by Section 203 of the DGCL.

ARTICLE XII
MISCELLANEOUS

If any provision or provisions of this Amended and Restated Certificate of Incorporation (including any Certificate of Designation relating to any series of Preferred Stock) shall be held to be invalid, illegal or unenforceable as applied to any circumstance for any reason whatsoever: (i) the validity, legality and enforceability of such provision or provisions in any other circumstance and of the remaining provisions of this Amended and Restated Certificate of Incorporation (including, without limitation, any Certificate of Designation relating to any series of Preferred Stock and each portion of any paragraph of this Amended and Restated Certificate of Incorporation or Certificate of Designation containing any such provision or provisions held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and (ii) to the fullest extent possible, the provisions of this Amended and Restated Certificate of Incorporation (including, without limitation, any Certificate of Designation relating to any series of Preferred Stock and each such portion of any paragraph of this Amended and Restated Certificate of Incorporation or Certificate of Designation containing any such provision or provisions held to be invalid, illegal or unenforceable) shall be construed so as to permit the Corporation to protect its directors, officers, employees and agents from personal liability in respect of their good faith service or for the benefit of the Corporation to the fullest extent permitted by law.

ARTICLE XIII
INTERPRETATION

For as long as the Stockholders Agreement remains in effect, in the event of any conflict between the terms and provisions of this Amended and Restated Certificate of Incorporation and those contained in the Stockholders Agreement, the terms and provisions of the Stockholders Agreement shall govern and control, except as provided otherwise by mandatory provisions of the DGCL.

ARTICLE XIV
DEFINITIONS

As used in this Amended and Restated Certificate of Incorporation, except as otherwise expressly provided herein and unless the context requires otherwise, the following terms shall have the following meanings:

"Affiliate" means, other than as set forth in Section 5 of Article IX, with respect to any Person, any other Person that controls, is controlled by, or is under common control with such Person. For the purposes of this definition, "control," when used with respect to any Person, means the power to direct or cause the direction of the affairs or management of that Person, whether through the ownership of voting securities, as trustee (or the power to appoint a trustee), as a personal representative or executor, by contract, credit arrangement or otherwise and "controlled" and "controlling" have meanings correlative to the foregoing.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder (as so amended and inclusive of such rules and regulations).

"Founder" means Bahram Akradi, the Corporation's Founder, Chairman and Chief Executive Officer and entities affiliated with Mr. Akradi.

"J. Safra" means JSS LTF Holdings Limited together with any transferee controlled directly or indirectly by Mr. Joseph Yacoub Safra's family or the J. Safra Group.

"LifeCo" means LifeCo LLC and its affiliates.

"LGP" means investment funds affiliated with or advised by Leonard Green & Partners, L.P.

"LNK" means LNK Partners and its affiliates.

"MSD" means MSD Capital, L.P. and its affiliates.

"Person" means any individual, general partnership, limited partnership, limited liability company, corporation, trust, business trust, joint stock company, joint venture, unincorporated association, cooperative or association or any other legal entity or organization of whatever nature, and shall include any successor (by merger or otherwise) of such entity.

"PG" means Partners Group (USA) Inc. and its affiliates.

"Principal Stockholders" means J. Safra, LifeCo, LGP, LNK, MSD, PG, SLT, TPG and TRS.

"SLT" means SLT Investors, LLC and its affiliates.

"Stockholders Agreement" means the Amended and Restated Stockholders Agreement, dated [●], 2021, by and among the Corporation, the Founder, the Principal Stockholders and other parties thereto, as may be amended and/or restated from time to time.

"TPG" means investment funds affiliated with or advised by TPG Global, LLC.

"Trigger Event" means the first date on which the Principal Stockholders and the Founder collectively cease to beneficially own (directly or indirectly) more than 50% of the voting power of the outstanding shares of Common Stock. For the purpose of this Amended and Restated Certificate of Incorporation, "beneficial ownership" shall be determined in accordance with Rule 13d-3 promulgated under the Exchange Act.

"TRS" means Teacher Retirement System of Texas and its affiliates.

* * * *

IN WITNESS WHEREOF, Life Time Group Holdings, Inc. has caused this Amended and Restated Certificate of Incorporation to be executed by its duly authorized officer on this [●] day of [●], 2021.

Life Time Group Holdings, Inc.

By: _____
Name: _____
Title: _____

Exhibit 3.2

Third Amended and Restated Bylaws of

Life Time Group Holdings, Inc.

(a Delaware corporation)

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Amended and Restated Bylaws of
Life Time Group Holdings, Inc.

Article I - Corporate Offices

1.1 Registered Office.

The address of the registered office of Life Time Group Holdings, Inc. (the "Corporation") in the State of Delaware, and the name of its registered agent at such address, shall be as set forth in the Corporation's certificate of incorporation, as the same may be amended and/or restated from time to time (the "Certificate of Incorporation").

1.2 Other Offices.

The Corporation may have additional offices at any place or places, within or outside the State of Delaware, as the Corporation's board of directors (the "Board") may from time to time establish or as the business of the Corporation may require.

Article II - Meetings of Stockholders

2.1 Place of Meetings.

Meetings of stockholders shall be held at such place, if any, 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 (the "DGCL"). In the absence of any such designation or determination, stockholders' meetings shall be held at the Corporation's principal executive office.

2.2 Annual Meeting.

The Board shall designate the date and time of the annual meeting. At the annual meeting, directors shall be elected and other proper business properly brought before the meeting in accordance with Section 2.4 may be transacted. The Board may postpone, reschedule or cancel any annual meeting of stockholders previously scheduled by the Board.

2.3 Special Meetings.

Special meetings of the stockholders may be called only by such Persons and only in such manner as set forth in the Certificate of Incorporation. The Board may postpone, reschedule or cancel any special meeting of stockholders previously scheduled by the Board.

No business may be transacted at any special meeting of stockholders other than the business specified in the notice of such meeting.

2.4 Notice of Business to be Brought Before a Meeting

(i) At an annual meeting of the stockholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business must be (a) specified in a notice of meeting given by or at the direction of the Board, (b) if not specified in a notice of meeting, otherwise brought before the meeting by the Board or the chairperson of the Board, or (c) otherwise properly brought before the meeting by a stockholder present in person who (A)(1) was a record owner of shares of the Corporation both at the time of giving the notice provided for in this Section 2.4 and at the time of the meeting, (2) is entitled to vote at the meeting and (3) has complied with this Section 2.4 in all applicable respects or (B) properly made such proposal in accordance with Rule 14a-8 under the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder (as so amended and inclusive of such rules and regulations, the "Exchange Act"). The

foregoing clause (c) shall be the exclusive means for a stockholder to propose business to be brought before an annual meeting of the stockholders. The only matters that may be brought before a special meeting are the matters specified in the Corporation's notice of meeting given by or at the direction of the Person calling the meeting pursuant to Section 2.3 of these bylaws. For purposes of this Section 2.4 of these bylaws, "present in person" shall mean that the stockholder proposing that the business be brought before the annual meeting of the Corporation, or a qualified representative of such proposing stockholder, appear at such annual meeting. A "qualified representative" of such proposing stockholder shall be a duly authorized officer, manager or partner of such stockholder or any other Person authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders and such Person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting of stockholders. Stockholders seeking to nominate persons for election to the Board must comply with Section 2.5 and 2.6 of these bylaws, and this Section 2.4 shall not be applicable to nominations except as expressly provided in Section 2.5 and 2.6 of these bylaws.

(ii) Without qualification, for business to be properly brought before an annual meeting by a stockholder, such business must constitute a proper matter for stockholder action and the stockholder must (a) provide Timely Notice (as defined below) thereof in writing and in proper form to the Secretary of the Corporation and (b) provide any updates or supplements to such notice at the times and in the forms required by this Section 2.4. To be timely, a stockholder's notice must be delivered to, or mailed and received at, the principal executive offices of the Corporation not less than ninety (90) days nor more than one hundred twenty (120) days prior to the one-year anniversary of the preceding year's annual meeting which in the case of the first annual meeting of stockholders following the closing of the Corporation's initial underwritten public offering of common stock, the date of the preceding year's annual meeting shall be deemed to be [●], 2021; *provided, however*, that if the date of the annual meeting is more than thirty (30) days before or more than sixty (60) days after such anniversary date, notice by the stockholder to be timely must be so delivered, or mailed and received, not later than the ninetieth (90th) day prior to such annual meeting or, if later, the tenth (10th) day following the day on which public disclosure of the date of such annual meeting was first made by the Corporation (such notice within such time periods, "Timely Notice"). In no event shall any adjournment or postponement of an annual meeting or the announcement thereof commence a new time period for the giving of Timely Notice as described above.

(iii) To be in proper form for purposes of this Section 2.4, a stockholder's notice to the Secretary shall set forth:

(a) As to each Proposing Person (as defined below), (A) the name and address of such Proposing Person (including, if applicable, the name and address that appear on the Corporation's books and records); and (B) the class or series and number of shares of the Corporation that are, directly or indirectly, owned of record or beneficially owned (within the meaning of Rule 13d-3 under the Exchange Act) by such Proposing Person, except that such Proposing Person shall in all events be deemed to beneficially own any shares of any class or series of the Corporation as to which such Proposing Person has a right to acquire beneficial ownership at any time in the future (the disclosures to be made pursuant to the foregoing clauses (A) and (B) are referred to as "Stockholder Information");

(b) As to each Proposing Person, (A) the full notional amount of any securities that, directly or indirectly, underlie any "derivative security" (as such term is defined in Rule 16a-1(c) under the Exchange Act) that constitutes a "call equivalent position" (as such term is defined in Rule 16a-1(b) under the Exchange Act) ("Synthetic Equity Position") and that is, directly or indirectly, held or maintained by such Proposing Person with respect to any shares of any class or series of shares of the Corporation; *provided* that, for the purposes of the definition of "Synthetic Equity Position," the term "derivative security" shall also include any security or instrument that would not otherwise constitute a "derivative security" as a result of any feature that would make any conversion, exercise or similar right or privilege of such security or instrument becoming determinable only at some future date or upon the happening of a future occurrence, in which case the determination of the amount of securities into which such security or instrument would be convertible or exercisable shall be made assuming that such security or instrument is immediately convertible or exercisable at the time of such determination; and, *provided*, *further*, that any Proposing Person satisfying the requirements of Rule 13d-1(b)(1) under the Exchange Act (other than a Proposing Person that so satisfies Rule 13d-1(b)(1) under the Exchange Act solely by reason of Rule 13d-1(b)(1)(ii)(E)) shall not be deemed to hold or maintain the notional amount of any securities that underlie a Synthetic Equity Position held by such Proposing Person as a hedge with respect to a bona fide derivatives trade or position of such Proposing Person arising in the ordinary course of such Proposing Person's business as a derivatives dealer, (B) any rights to dividends on the shares of any class or series of shares of the Corporation owned beneficially by such Proposing

Person that are separated or separable from the underlying shares of the Corporation, (C) any material pending or threatened legal proceeding in which such Proposing Person is a party or material participant involving the Corporation or any of its officers or directors, or any affiliate of the Corporation, (D) any other material relationship between such Proposing Person, on the one hand, and the Corporation or any affiliate of the Corporation, on the other hand, (E) any direct or indirect material interest in any material contract or agreement of such Proposing Person with the Corporation or any affiliate of the Corporation (including, in any such case, any employment agreement, collective bargaining agreement or consulting agreement), (F) a representation that such Proposing Person intends or is part of a group which intends to deliver a proxy statement or form of proxy to holders of at least the percentage of the Corporation's outstanding capital stock required to approve or adopt the proposal or otherwise solicit proxies or votes from stockholders in support of such proposal and (G) any other information relating to such Proposing Person that would be required to be disclosed in a proxy statement or other filing required to be made in connection with solicitations of proxies or consents by such Proposing Person in support of the business proposed to be brought before the meeting pursuant to Section 14(a) of the Exchange Act (the disclosures to be made pursuant to the foregoing clauses (A) through (G) are referred to as "Disclosable Interests"); *provided*, *however*, that Disclosable Interests shall not include any such disclosures with respect to the ordinary course business activities of any broker, dealer, commercial bank, trust company or other nominee who is a Proposing Person solely as a result of being the stockholder directed to prepare and submit the notice required by these bylaws on behalf of a beneficial owner; and

(c) As to each item of business that the stockholder proposes to bring before the annual meeting, (A) a brief description of the business desired to be brought before the annual meeting, the reasons for conducting such business at the annual meeting and any material interest in such business of each Proposing Person, (B) the text of the proposal or business (including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend the bylaws, the language of the proposed amendment), (C) a reasonably detailed description of all agreements, arrangements and understandings (x) between or among any of the Proposing Persons or (y) between or among any Proposing Person and any other Person or entity (including their names) in connection with the proposal of such business by such stockholder and (D) any other information relating to such item of business that would be required to be disclosed in a proxy statement or other filing required to be made in connection with solicitations of proxies in support of the business proposed to be brought before the meeting pursuant to Section 14(a) of the Exchange Act; *provided*, *however*, that the disclosures required by this Section 2.4(iii) shall not include any disclosures with respect to any broker, dealer, commercial bank, trust company or other nominee who is a Proposing Person solely as a result of being the stockholder directed to prepare and submit the notice required by these bylaws on behalf of a beneficial owner.

(iv) For purposes of this Section 2.4, the term "Proposing Person" shall mean (a) the stockholder providing the notice of business proposed to be brought before an annual meeting, (b) the beneficial owner or beneficial owners, if different, on whose behalf the notice of the business proposed to be brought before the annual meeting is made, and (c) any participant (as defined in paragraphs (a)(ii)-(vi) of Instruction 3 to Item 4 of Schedule 14A) with such stockholder in such solicitation.

(v) A Proposing Person shall update and supplement its notice to the Corporation of its intent to propose business at an annual meeting, if necessary, so that the information provided or required to be provided in such notice pursuant to this Section 2.4 shall be true and correct as of the record date for stockholders entitled to vote at the meeting and as of the date that is ten (10) business days prior to the meeting or any adjournment or postponement thereof, and such update and supplement shall be delivered to, or mailed and received by, the Secretary at the principal executive offices of the Corporation not later than five (5) business days after the record date for stockholders entitled to vote at the meeting (in the case of the update and supplement required to be made as of such record date), and not later than eight (8) business days prior to the date for the meeting or, if practicable, any adjournment or postponement thereof (and, if not practicable, on the first practicable date prior to the date to which the meeting has been adjourned or postponed) (in the case of the update and supplement required to be made as of ten (10) business days prior to the meeting or any adjournment or postponement thereof). For the avoidance of doubt, the obligation to update and supplement as set forth in this paragraph or any other section of these bylaws shall not limit the Corporation's rights with respect to any deficiencies in any notice provided by a stockholder, extend any applicable deadlines hereunder or enable or be deemed to permit a stockholder who has previously submitted notice hereunder to amend or update any proposal or to submit any new proposal, including by changing or adding matters, business or resolutions proposed to be brought before a meeting of the stockholders.

(vi) Notwithstanding anything in these bylaws to the contrary, no business shall be conducted at an annual meeting that is not properly brought before the meeting in accordance with this Section 2.4. The chairperson of the meeting shall, if the facts warrant, determine that the business was not properly brought before the meeting in accordance with this Section 2.4, and if he or she should so determine, he or she shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted.

(vii) This Section 2.4 is expressly intended to apply to any business proposed to be brought before an annual meeting of stockholders other than any proposal made in accordance with Rule 14a-8 under the Exchange Act and included in the Corporation's proxy statement. In addition to the requirements of this Section 2.4 with respect to any business proposed to be brought before an annual meeting, each Proposing Person shall comply with all applicable requirements of the Exchange Act with respect to any such business. Nothing in this Section 2.4 shall be deemed to affect the rights of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act.

(viii) For purposes of these bylaws, "public disclosure" shall mean disclosure in a press release reported by a national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Sections 13, 14 or 15(d) of the Exchange Act.

(ix) Notwithstanding the foregoing provisions of this Section 2.4, unless otherwise required by law, if the stockholder is not "present in person" (as defined in Section 2.4(i)) at the meeting of stockholders of the Corporation to present the proposed business, such proposed business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation.

2.5 Notice of Nominations for Election to the Board of Directors

(i) Nominations of any person for election to the Board at an annual meeting or at a special meeting (but only if the election of directors is a matter specified in the notice of meeting given by or at the direction of the Person calling such special meeting) may be made at such meeting only (a) by or at the direction of the Board, including by any committee or persons authorized to do so by the Board or these bylaws, or (b) by a stockholder present in person (1) who was a record owner of shares of the Corporation both at the time of giving the notice provided for in this Section 2.5 and at the time of the meeting, (2) is entitled to vote at the meeting and (3) has complied with this Section 2.5 and 2.6 as to such notice and nomination. For purposes of this Section 2.5, "present in person" shall mean that the stockholder proposing that the business be brought before the meeting of the Corporation, or a qualified representative of such stockholder, appear at such meeting. A "qualified representative" of such proposing stockholder shall be a duly authorized officer, manager or partner of such stockholder or any other Person authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders and such Person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting of stockholders. The foregoing clause (b) shall be the exclusive means for a stockholder to make any nomination of a person or persons for election to the Board at an annual meeting or special meeting.

(ii) Without qualification, for a stockholder to make any nomination of a person or persons for election to the Board at an annual meeting, the stockholder must (a) provide Timely Notice (as defined in Section 2.4(ii) of these bylaws) thereof in writing and in proper form to the Secretary of the Corporation, (b) provide the information, agreements and questionnaires with respect to such stockholder and its candidate for nomination as required to be set forth by this Section 2.5 and Section 2.6, and (c) provide any updates or supplements to such notice at the times and in the forms required by this Section 2.5 and Section 2.6.

(iii) Without qualification, if the election of directors is a matter specified in the notice of meeting given by or at the direction of the Person calling a special meeting, then for a stockholder to make any nomination of a person or persons for election to the Board at a special meeting, the stockholder must (a) provide timely notice thereof in writing and in proper form to the Secretary of the Corporation at the principal executive offices of the Corporation, (b) provide the information with respect to such stockholder and its candidate for nomination as required by this Section 2.5 and Section 2.6 and (c) provide any updates or supplements to such notice at the times and in the forms required by this Section 2.5. To be timely, a stockholder's notice for nominations to be made at a special meeting

must be delivered to, or mailed and received at, the principal executive offices of the Corporation not earlier than the one hundred twentieth (120th) day prior to such special meeting and not later than the ninetieth (90th) day prior to such special meeting or, if later, the tenth (10th) day following the day on which public disclosure (as defined in Section 2.4) of the date of such special meeting at which directors are to be elected was first made by the Corporation. In no event shall any adjournment or postponement of an annual meeting or special meeting or the announcement thereof commence a new time period for the giving of a stockholder's notice as described above.

(iv) To be in proper form for purposes of this Section 2.5, a stockholder's notice to the Secretary shall set forth:

(a) As to each Nominating Person (as defined below), the Stockholder Information (as defined in Section 2.4(iii)(a) of these bylaws) except that for purposes of this Section 2.5, the term "Nominating Person" shall be substituted for the term "Proposing Person" in all places it appears in Section 2.4(iii)(a);

(b) As to each Nominating Person, any Disclosable Interests (as defined in Section 2.4(iii)(b), except that for purposes of this Section 2.5 the term "Nominating Person" shall be substituted for the term "Proposing Person" in all places it appears in Section 2.4(iii)(b) and the disclosure with respect to the business to be brought before the meeting in Section 2.4(iii)(b) shall be made with respect to the nomination of persons for election to the Board to be brought before the meeting); and

(c) As to each candidate whom a Nominating Person proposes to nominate for election as a director, (A) all information with respect to such candidate for nomination that would be required to be set forth in a stockholder's notice pursuant to this Section 2.5 and Section 2.6 if such candidate for nomination were a Nominating Person, (B) all information relating to such candidate for nomination that is required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors in a contested election pursuant to Section 14(a) under the Exchange Act (including such candidate's written consent to being named in the Corporation's proxy statement as a nominee and to serving as a director if elected), (C) a description of any direct or indirect material interest in any material contract or agreement between or among any Nominating Person, on the one hand, and each candidate for nomination or his or her respective associates or any other participants in such solicitation, on the other hand, including, without limitation, all information that would be required to be disclosed pursuant to Item 404 under Regulation S-K if such Nominating Person were the "registrant" for purposes of such rule and the candidate for nomination were a director or executive officer of such registrant, and (D) a completed and signed questionnaire, representation and agreement as provided in Section 2.6(i).

(v) Notwithstanding anything in Section 2.5(ii) to the contrary, in the event that the number of directors to be elected to the Board at the annual meeting is increased effective after the time period for which nominations would otherwise be due under Section 2.5(ii) and there is no public announcement by the Corporation naming the nominees for the additional directorships at least one hundred (100) days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by this Section 2.5 shall also be considered timely, but only with respect to nominees for the additional directorships, if it shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the tenth (10th) day following the day on which such public disclosure is first made by the Corporation.

(vi) For purposes of this Section 2.5 and Section 2.6, the term "Nominating Person" shall mean (a) the stockholder providing the notice of the nomination proposed to be made at the meeting, (b) the beneficial owner or beneficial owners, if different, on whose behalf the notice of the nomination proposed to be made at the meeting is made, and (c) any other participant in such solicitation.

(vii) A stockholder providing notice of any nomination proposed to be made at a meeting shall further update and supplement such notice, if necessary, so that the information provided or required to be provided in such notice pursuant to this Section 2.5 shall be true and correct as of the record date for stockholders entitled to vote at the meeting and as of the date that is ten (10) business days prior to the meeting or any adjournment or postponement thereof, and such update and supplement shall be delivered to, or mailed and received by, the Secretary at the principal executive offices of the Corporation not later than five (5) business days after the record date for stockholders entitled to vote at the meeting (in the case of the update and supplement required to be made as of such record date), and not later than eight (8) business days prior to the date for the meeting or, if practicable, any adjournment or postponement thereof (and, if not practicable, on the first practicable date prior to the date to which the meeting has been adjourned or postponed) (in the case of the update and supplement required to be made as of

ten (10) business days prior to the meeting or any adjournment or postponement thereof). For the avoidance of doubt, the obligation to update and supplement as set forth in this paragraph or any other section of these bylaws shall not limit the Corporation's rights with respect to any deficiencies in any notice provided by a stockholder, extend any applicable deadlines hereunder or enable or be deemed to permit a stockholder who has previously submitted notice hereunder to amend or update any nomination or to submit any new nomination. In addition to the requirements of this Section 2.5 with respect to any nomination proposed to be made at a meeting, each Nominating Person shall comply with all applicable requirements of the Exchange Act with respect to any such nominations.

(vii) Notwithstanding the foregoing provisions of this Section 2.5, unless otherwise required by law, if the stockholder is not "present in person" (as defined in Section 2.5(i)) at the meeting of stockholders of the Corporation to present a nomination, such nomination shall be disregarded, notwithstanding that proxies in respect of such vote may have been received by the Corporation.

2.6 Additional Requirements for Valid Nomination of Candidates to Serve as Director and, if Elected, to be Seated as Directors

(i) To be eligible to be a candidate for election as a director of the Corporation at an annual or special meeting, a candidate must be nominated in the manner prescribed in Section 2.5 and the candidate for nomination, whether nominated by the Board or by a stockholder of record, must have previously delivered (in the case of a candidate nominated by a stockholder in accordance with Section 2.5, within the time period for delivery of the stockholder's notice pursuant to Section 2.5), to the Secretary at the principal executive offices of the Corporation, a completed written questionnaire (in a form provided by the Corporation) with respect to the background, qualifications, stock ownership and independence of such proposed nominee.

(ii) The Board may also require any proposed candidate for nomination as a Director to furnish such other information as may reasonably be requested by the Board in writing prior to the meeting of stockholders at which such candidate's nomination is to be acted upon in order for the Board to determine the eligibility of such candidate for nomination to be an independent director of the Corporation.

(iii) A candidate for nomination as a director shall further update and supplement the materials delivered pursuant to this Section 2.6, if necessary, so that the information provided or required to be provided pursuant to this Section 2.6 shall be true and correct as of the record date for stockholders entitled to vote at the meeting and as of the date that is ten (10) business days prior to the meeting or any adjournment or postponement thereof, and such update and supplement shall be delivered to, or mailed and received by, the Secretary at the principal executive offices of the Corporation (or any other office specified by the Corporation in any public announcement) not later than five (5) business days after the record date for stockholders entitled to vote at the meeting (in the case of the update and supplement required to be made as of such record date), and not later than eight (8) business days prior to the date for the meeting or, if practicable, any adjournment or postponement thereof (and, if not practicable, on the first practicable date prior to the date to which the meeting has been adjourned or postponed) (in the case of the update and supplement required to be made as of ten (10) business days prior to the meeting or any adjournment or postponement thereof). For the avoidance of doubt, the obligation to update and supplement as set forth in this paragraph or any other section of these bylaws shall not limit the Corporation's rights with respect to any deficiencies in any notice provided by a stockholder, extend any applicable deadlines hereunder or enable or be deemed to permit a stockholder who has previously submitted notice hereunder to amend or update any proposal or to submit any new proposal, including by changing or adding nominees, matters, business or resolutions proposed to be brought before a meeting of the stockholders.

(iv) No candidate shall be eligible for nomination as a director of the Corporation unless such candidate for nomination and the Nominating Person seeking to place such candidate's name in nomination has complied with Section 2.5 and this Section 2.6, as applicable. The chairperson of the meeting shall, if the facts warrant, determine that a nomination was not properly made in accordance with Section 2.5 and this Section 2.6, and if he or she should so determine, he or she shall so declare such determination to the meeting, the defective nomination shall be disregarded and any ballots cast for the candidate in question (but in the case of any form of ballot listing other qualified nominees, only the ballots cast for the nominee in question) shall be void and of no force or effect.

(v) Notwithstanding anything in these bylaws to the contrary, no candidate for nomination shall be eligible to be seated as a director of the Corporation unless nominated and elected in accordance with Section 2.5 and this Section 2.6.

2.7 Notice of Stockholders' Meetings.

Unless otherwise provided by law, the Certificate of Incorporation or these bylaws, the notice of any meeting of stockholders shall be sent or otherwise given in accordance with Section 8.1 of these bylaws not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at such meeting. The notice shall specify the place, if any, date and time of the meeting, the means of remote communication, 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.

2.8 Quorum.

Unless otherwise provided by law, the Certificate of Incorporation or these bylaws, the holders of a majority in voting power of the stock issued and outstanding and entitled to vote at the meeting, present in person, or by remote communication, if applicable, or represented by proxy, shall constitute a quorum for the transaction of business at all meetings of the stockholders. If, however, a quorum is not present or represented at any meeting of the stockholders, then either (i) the chairperson of the meeting or (ii) a majority in voting power of the stockholders entitled to vote at the meeting, present in person, or by remote communication, if applicable, or represented by proxy, shall have power to adjourn the meeting from time to time in the manner provided in Section 2.9 of these bylaws until a quorum is present or represented.

2.9 Adjourned Meeting; Notice.

When a meeting is adjourned to another time or place, if any, notice need not be given of the adjourned meeting if the time, place, if any, thereof, and 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 adjourned meeting are announced at the meeting at which the adjournment is taken. At any adjourned meeting, the Corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new record date for determination of stockholders entitled to vote is fixed for the adjourned meeting, the Board shall fix as the record date for determining stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote at the adjourned meeting, and shall give notice of the adjourned meeting to each stockholder of record entitled to vote at such meeting as of the record date so fixed for notice of such adjourned meeting.

2.10 Conduct of Business.

The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting by the chairperson of the meeting. The Board may adopt by resolution such rules and regulations (which need not be in writing) for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board, the chairperson of any meeting of stockholders shall have the right and authority to convene and (for any or no reason) to recess and/or adjourn the meeting, to prescribe such rules, regulations and procedures 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 entitled to vote at the meeting, 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; and (v) limitations on the time allotted to questions or comments by participants. Unless and to the extent determined by the Board or the chairperson of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

2.11 Voting.

Except as may be otherwise provided in the Certificate of Incorporation, these bylaws or the DGCL, each stockholder shall be entitled to one (1) vote for each share of capital stock held by such stockholder.

Except as otherwise provided by the Certificate of Incorporation, at all duly called or convened meetings of stockholders at which a quorum is present, for the election of directors, a plurality of the votes cast shall be sufficient to elect a director. Except as otherwise provided by the Certificate of Incorporation, these bylaws, the rules or regulations of any stock exchange applicable to the Corporation, or applicable law, or pursuant to any regulation applicable to the Corporation or its securities, each other matter presented to the stockholders at a duly called or convened meeting at which a quorum is present shall be decided by the affirmative vote of the holders of a majority of the votes cast (excluding abstentions and broker non-votes) on such matter.

2.12 Record Date for Stockholder Meetings and Other Purposes.

In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, 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 shall, unless otherwise required by law, not be more than sixty (60) days nor less than ten (10) days before the date of such meeting. If the Board so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be the close of business on the next day preceding the day on which notice is first given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. 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; and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance herewith at the adjourned meeting.

To the extent stockholder action by written consent is permitted by the Certificate of Incorporation, in order that the Corporation may determine the stockholders entitled to express consent to corporate action in writing without a meeting, 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 shall not be more than ten (10) days after the date upon which the resolution fixing the record date is adopted by the Board. If no record date for determining stockholders entitled to express consent to corporate action in writing without a meeting is fixed by the Board, (i) when no prior action of the Board is required by law, the record date for such purpose 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, and (ii) if prior action by the Board is required by law, the record date for such purpose shall be at the close of business on the day on which the Board adopts the resolution taking such prior action.

In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment or any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of capital stock, or for the purposes 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, and which record date shall be not more than sixty (60) days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board adopts the resolution relating thereto.

2.13 Proxies.

Each stockholder entitled to vote at a meeting of stockholders may authorize another Person or Persons to act for such stockholder by proxy authorized by an instrument in writing or by a transmission permitted by law filed in accordance with the procedure established for the meeting, but, no such proxy shall be voted or acted upon after three (3) years from its date, unless the proxy provides for a longer period. The revocability of a proxy that states on its face that it is irrevocable shall be governed by the provisions of Section 212 of the DGCL. A proxy may be in the form of an electronic transmission which sets forth or is submitted with information from which it can be determined that the electronic transmission was authorized by the stockholder.

2.14 List of Stockholders Entitled to Vote.

The Corporation shall prepare, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting (provided, however, that if the record date for determining the stockholders entitled to vote is less than ten (10) days before the date of the meeting, the list shall reflect the stockholders entitled to vote as of the tenth day before the meeting date), 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 the examination of any stockholder, for any purpose germane to the meeting for a period of at least ten (10) 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 Corporation's principal executive office. 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, 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. Such list shall presumptively determine the identity of the stockholders entitled to vote at the meeting and the number of shares held by each of them. Except as otherwise provided by law, the stock ledger shall be the only evidence as to who are the stockholders entitled to examine the list of stockholders required by this Section 2.14 or to vote in Person or by proxy at any meeting of stockholders.

2.15 Inspectors of Election.

Before any meeting of stockholders, the Corporation shall appoint an inspector or inspectors of election to act at the meeting or its adjournment and make a written report thereof. The Corporation may designate one or more Persons as alternate inspectors to replace any inspector who fails to act. If any Person appointed as inspector or any alternate fails to appear or fails or refuses to act, then the chairperson of the meeting shall appoint a Person to fill that vacancy.

Such inspectors shall:

(i) determine the number of shares outstanding and the voting power of each, the number of shares represented at the meeting and the validity of any proxies and ballots;

(ii) count all votes or ballots;

(iii) count and tabulate all votes;

(iv) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspector(s); and

(v) certify its or their determination of the number of shares represented at the meeting and its or their count of all votes and ballots.

Each inspector, before entering upon the discharge of the duties of inspector, shall take and sign an oath faithfully to execute the duties of inspection with strict impartiality and according to the best of such inspector's ability. Any report or certificate made by the inspectors of election is prima facie evidence of the facts stated therein. The inspectors of election may appoint such Persons to assist them in performing their duties as they determine.

Article III - Directors

3.1 Powers.

Except as otherwise provided by the Certificate of Incorporation or the DGCL, the business and affairs of the Corporation shall be managed by or under the direction of the Board.

3.2 Number of Directors.

Subject to the Certificate of Incorporation, the total number of directors constituting the Board shall be determined from time to time by resolution of the Board. No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

3.3 Election, Qualification and Term of Office of Directors.

Except as provided in Section 3.4 of these bylaws, each director, including a director elected to fill a vacancy or newly created directorship, shall hold office until the expiration of the term of the class, if any, for which elected and until such director's successor is elected and qualified or until such director's earlier death, resignation, disqualification or removal. Directors need not be stockholders. The Certificate of Incorporation or these bylaws may prescribe qualifications for directors.

3.4 Resignation and Vacancies.

Any director may resign at any time upon notice given in writing or by electronic transmission to the Corporation. The resignation shall take effect at the time specified therein or upon the happening of an event specified therein, and if no time or event is specified, at the time of its receipt. When one or more directors so resigns and the resignation is effective at a future date or upon the happening of an event to occur on a future date, a majority of the directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective, and each director so chosen shall hold office as provided in this Section 3.4 in the filling of other vacancies.

Unless otherwise provided in the Certificate of Incorporation or these bylaws, vacancies and newly created directorships resulting from any increase in the authorized number of directors shall be filled only by a majority of the directors then in office, although less than a quorum, or by a sole remaining director. Any director appointed in accordance with the preceding sentence shall hold office for the remainder of the term of the class, if any, to which the director is appointed and until such director's successor shall have been elected and qualified.

3.5 Place of Meetings; Meetings by Telephone.

The Board may hold meetings, both regular and special, either within or outside the State of Delaware.

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 pursuant to this bylaw shall constitute presence in Person at the meeting.

3.6 Regular Meetings.

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

3.7 Special Meetings; Notice.

Special meetings of the Board for any purpose or purposes may be called at any time by the chairperson of the Board, the chief executive officer, the chief financial officer, the secretary or a majority of the total number of directors constituting the Board.

Notice of the time and place of special meetings shall be:

(i) delivered personally by hand, by courier or by telephone;

(ii) sent by United States first-class mail, postage prepaid;

(iii) sent by facsimile or electronic mail; or

(iv) sent by other means of electronic transmission,

directed to each director at that director's address, telephone number, facsimile number or electronic mail address, or other address for electronic transmission, as the case may be, as shown on the Corporation's records.

If the notice is (i) delivered personally by hand, by courier or by telephone, (ii) sent by facsimile or electronic mail, or (iii) sent by other means of electronic transmission, it shall be delivered or sent at least twenty-four (24) hours before the time of the holding of the meeting. If the notice is sent by U.S. mail, it shall be deposited in the U.S. mail at least four (4) days before the time of the holding of the meeting. The notice need not specify the place of the meeting (if the meeting is to be held at the Corporation's principal executive office) nor the purpose of the meeting.

3.8 Quorum.

At all meetings of the Board, a majority of the total number of directors shall constitute a quorum for the transaction of business. 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 statute, 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 is present. 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.

3.9 Board Action by Written Consent without a Meeting.

Unless otherwise restricted by the Certificate of Incorporation or these bylaws, 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 if all members of the Board or committee, as the case may be, consent thereto in writing or by electronic transmission. After an action is taken, the consent or consents relating thereto shall be filed with the minutes of the 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. Such action by written consent or consent by electronic transmission shall have the same force and effect as a unanimous vote of the Board.

3.10 Fees and Compensation of Directors.

Unless otherwise restricted by the Certificate of Incorporation or these bylaws, the Board shall have the authority to fix the compensation, including fees and reimbursement of expenses, of directors for services to the Corporation in any capacity.

Article IV - Committees

4.1 Committees of Directors.

The Board may designate one (1) or more committees, each committee to consist, of one (1) or more of the directors of the Corporation. The Board may designate one (1) 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. Any such committee, to the extent provided in the resolution of the Board 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 that may require it; but no such committee shall have the power or authority to (i) approve or adopt, or recommend to the stockholders, any action or matter expressly required by the DGCL to be submitted to stockholders for approval, or (ii) adopt, amend or repeal any bylaw of the Corporation.

4.2 Committee Minutes.

Each committee shall keep regular minutes of its meetings and report the same to the Board when required.

4.3 Meetings and Actions of Committees.

Meetings and actions of committees shall be governed by, and held and taken in accordance with, the provisions of:

(i) Section 3.5 (place of meetings and meetings by telephone);

(ii) Section 3.6 (regular meetings);

(iii) Section 3.7 (special meetings and notice);

(iv) Section 3.9 (action without a meeting); and

(v) Section 7.12 (waiver of notice),

with such changes in the context of those bylaws as are necessary to substitute the committee and its members for the Board and its members*However*:

(i) the time of regular meetings of committees may be determined either by resolution of the Board or by resolution of the committee;

(ii) special meetings of committees may also be called by resolution of the Board or by the chairperson of the applicable committee; and

(iii) the Board may adopt rules for the governance of any committee to override the provisions that would otherwise apply to the committee pursuant to this Section 4.3, provided that such rules do not violate the provisions of the Certificate of Incorporation or applicable law.

Article V - Officers

5.1 Officers.

The officers of the Corporation shall include a president and a secretary. The Corporation may also have, at the discretion of the Board, a chairperson of the Board and a vice chairperson of the Board from among its members, a chief executive officer, a chief financial officer, a treasurer, one (1) or more vice presidents, one (1) or more assistant vice presidents, one (1) or more assistant treasurers, one (1) or more assistant secretaries, and any such other officers as the Board shall from time to time deem necessary or desirable. Any number of offices may be held by the same Person.

5.2 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 5.3 of these bylaws.

5.3 Subordinate Officers.

The Board may empower the chief executive officer or, in the absence of a chief executive officer, the chief financial officer, to appoint, such other officers and agents as the business of the Corporation may require. Each of such officers and agents shall hold office for such period, have such authority, and perform such duties as are provided in these bylaws or as the Board or an authorized officer (as applicable), may from time to time determine.

5.4 Removal and Resignation of Officers.

Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed, either with or without cause, by 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.

Any officer may resign at any time by giving written notice, by electronic transmission or otherwise, 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.

5.5 Vacancies in Offices.

Any vacancy occurring in any office of the Corporation shall be filled by the Board or as provided in Sections 5.2 and 5.3, as applicable.

5.6 Representation of Shares of Other Corporations.

The chairperson of the Board, the chief executive officer, the president, any vice president, the treasurer, the secretary or assistant secretary of this Corporation, or any other Person authorized by the Board, the chief executive officer, the president or a vice president, is authorized to vote, represent and exercise on behalf of this Corporation all rights incident to any and all shares or securities of any other corporation or other entity 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.

5.7 Authority and Duties of Officers.

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 provided herein or designated from time to time by the Board and, to the extent not so provided, as generally pertain to their respective offices, subject to the control of the Board.

Article VI - Records

A stock ledger consisting of one or more records in which the names of all of the Corporation's stockholders of record, the address and number of shares registered in the name of each such stockholder, and all issuances and transfers of stock of the corporation are recorded in accordance with Section 224 of the DGCL shall be administered by or on behalf of the Corporation. Any records administered by or on behalf of the Corporation in the regular course of its business, including its stock ledger, books of account, and minute books, may be kept on, or by means of, or be in the form of, any information storage device, or method, or one or more electronic networks or databases (including one or more distributed electronic networks or databases), provided that the records so kept can be converted into clearly legible paper form within a reasonable time and, with respect to the stock ledger, that the records so kept (i) can be used to prepare the list of stockholders specified in Sections 219 and 220 of the DGCL, (ii) record the information specified in Sections 156, 159, 217(a) and 218 of the DGCL, and (iii) record transfers of stock as governed by Article 8 of the Uniform Commercial Code.

Article VII - General Matters

7.1 Execution of Corporate Contracts and Instruments.

The Board may authorize any officer or officers, or agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Corporation; such authority may be general or confined to specific instances. Unless so authorized or ratified by the Board or within the agency power of an officer, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

7.2 Stock Certificates.

The shares of the Corporation shall be uncertificated, provided that the Board by resolution may provide that some or all of the shares of any class or series of stock of the Corporation shall be represented by certificates. Certificates for the shares of stock, if any, shall be in such form as is consistent with the Certificate of Incorporation and applicable law. Every holder of stock represented by a certificate shall be entitled to have a certificate signed by, or in the name of the Corporation by, any two officers authorized to sign stock certificates representing the number of shares registered in certificate form. The chairperson or vice chairperson of the Board, the president, vice president, the treasurer, any assistant treasurer, the secretary or any assistant secretary of the Corporation shall be specifically authorized to sign stock certificates. Any or all of the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate has ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he or she were such officer, transfer agent or registrar at the date of issue.

7.3 Lost Certificates.

The Corporation may issue a new certificate of stock or uncertificated shares in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, 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 or uncertificated shares.

7.4 Shares Without Certificates.

The Corporation may adopt a system of issuance, recordation and transfer of its shares of stock by electronic or other means not involving the issuance of certificates, provided the use of such system by the Corporation is permitted in accordance with applicable law.

7.5 Construction; Definitions.

Unless the context requires otherwise, the general provisions, rules of construction and definitions in the DGCL shall govern the construction of these bylaws. Without limiting the generality of this provision, the singular number includes the plural and the plural number includes the singular.

7.6 Dividends.

The Board, subject to any restrictions contained in either (i) the DGCL or (ii) the Certificate of Incorporation, may declare and pay dividends upon the shares of its capital stock. Dividends may be paid in cash, in property or in shares of the Corporation's capital stock.

The Board may set apart out of any of the funds of the Corporation available for dividends a reserve or reserves for any proper purpose and may abolish any such reserve. Such purposes shall include but not be limited to equalizing dividends, repairing or maintaining any property of the Corporation and meeting contingencies.

7.7 Fiscal Year.

The fiscal year of the Corporation shall be fixed by resolution of the Board and may be changed by the Board.

7.8 Seal.

The Corporation may adopt a corporate seal, which shall be adopted and which may be altered by the Board. The Corporation may use the corporate seal by causing it or a facsimile thereof to be impressed or affixed or in any other manner reproduced.

7.9 Transfer of Stock.

Shares of the Corporation shall be transferable in the manner prescribed by law and in these bylaws. Shares of stock of the Corporation shall be transferred on the books of the Corporation only by the holder of record thereof or by such holder's attorney duly authorized in writing, upon surrender to the Corporation of the certificate or certificates representing such shares endorsed by the appropriate Person or Persons (or by delivery of duly executed instructions with respect to uncertificated shares), with such evidence of the authenticity of such endorsement or execution, transfer, authorization and other matters as the Corporation may reasonably require, and accompanied by all necessary stock transfer stamps. No transfer of stock shall be valid as against the Corporation for any purpose until it shall have been entered in the stock records of the Corporation by an entry showing the names of the Persons from and to whom it was transferred.

7.10 Stock Transfer Agreements.

The Corporation shall have power to enter into and perform any agreement with any number of stockholders of any one or more classes or series of stock of the Corporation to restrict the transfer of shares of stock of the Corporation of any one or more classes owned by such stockholders in any manner not prohibited by the DGCL.

7.11 Registered Stockholders.

The Corporation:

(i) shall be entitled to recognize the exclusive right of a Person registered on its books as the owner of shares to receive dividends and to vote as such owner; and

(ii) shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of another Person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of the State of Delaware.

7.12 Waiver of Notice.

Whenever notice is required to be given under any provision of the DGCL, the Certificate of Incorporation or these bylaws, a written waiver, signed by the Person entitled to notice, or a waiver by electronic transmission by the Person entitled to notice, whether before or after the time of the event for which notice is to be given, shall be deemed equivalent to notice. 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 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 annual or special meeting of the stockholders 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.

Article VIII - Notice

8.1 Delivery of Notice; Notice by Electronic Transmission

Without limiting the manner by which notice otherwise may be given effectively to stockholders, any notice to stockholders given by the Corporation under any provisions of the DGCL, the Certificate of Incorporation, or these bylaws may be given in writing directed to the stockholder's mailing address (or by electronic transmission directed to the stockholder's electronic mail address, as applicable) as it appears on the records of the Corporation and shall be given (1) if mailed, when the notice is deposited in the U.S. mail, postage prepaid, (2) if delivered by courier service, the earlier of when the notice is received or left at such stockholder's address or (3) if given by electronic mail, when directed to such stockholder's electronic mail address unless the stockholder has notified the Corporation in writing or by electronic transmission of an objection to receiving notice by electronic mail. A notice by electronic mail must include a prominent legend that the communication is an important notice regarding the Corporation.

Without limiting the manner by which notice otherwise may be given effectively to stockholders, any notice to stockholders given by the Corporation under any provision of the DGCL, the Certificate of Incorporation or these bylaws shall be effective if 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 or electronic transmission to the Corporation. Notwithstanding the provisions of this paragraph, the Corporation may give a notice by electronic mail in accordance with the first paragraph of this section without obtaining the consent required by this paragraph.

Any notice given pursuant to the preceding paragraph 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 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

(iii) if by any other form of electronic transmission, when directed to the stockholder.

Notwithstanding the foregoing, a notice may not be given by an electronic transmission from and after the time that (1) the Corporation is unable to deliver by such electronic transmission two (2) consecutive notices given by the Corporation and (2) such inability becomes known to the secretary or an assistant secretary of the Corporation or to the transfer agent, or other person responsible for the giving of notice, provided, however, the inadvertent failure to discover such inability shall not invalidate any meeting or other action.

An affidavit of the secretary or an assistant secretary or of the transfer agent or other agent of the Corporation that the notice has been given shall, in the absence of fraud, be prima facie evidence of the facts stated therein.

Article IX - Indemnification

9.1 Indemnification of Directors and Officers.

The Corporation shall indemnify and hold harmless, to the fullest extent permitted by the DGCL as it presently exists or may hereafter be amended, any director or officer of the Corporation 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 (a "Proceeding") by reason of the fact that he or she, or a Person for whom he or she is the legal representative, is or was a director or officer of the Corporation or, while serving as a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or non-profit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement) reasonably incurred by such Person in

connection with any such Proceeding. Notwithstanding the preceding sentence, except as otherwise provided in Section 9.4, the Corporation shall be required to indemnify a Person in connection with a Proceeding (or part thereof) initiated by such Person only if the Proceeding (or part thereof) was authorized in the specific case by the Board.

9.2 Indemnification of Others.

The Corporation shall have the power to indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any employee or agent of the Corporation who was or is made or is threatened to be made a party or is otherwise involved in any Proceeding by reason of the fact that he or she, or a Person for whom he or she is the legal representative, is or was an employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or non-profit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses reasonably incurred by such Person in connection with any such Proceeding.

9.3 Prepayment of Expenses.

The Corporation shall to the fullest extent not prohibited by applicable law pay the expenses (including attorneys' fees) incurred by any officer or director of the Corporation, and may pay the expenses incurred by any employee or agent of the Corporation, in defending any Proceeding in advance of its final disposition; *provided, however*, that, to the extent required by law, such payment of expenses in advance of the final disposition of the Proceeding shall be made only upon receipt of an undertaking by the Person to repay all amounts advanced if it should be ultimately determined that the Person is not entitled to be indemnified under this Article IX or otherwise.

9.4 Determination; Claim.

If a claim for indemnification (following the final disposition of such Proceeding) under this Article IX is not paid in full within sixty (60) days, or a claim for advancement of expenses under this Article IX is not paid in full within forty-five (45) days after a written claim therefor has been received by the Corporation, the claimant may thereafter (but not before) 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 to the fullest extent permitted by law. In any such action the Corporation shall have the burden of proving that the claimant was not entitled to the requested indemnification or payment of expenses under applicable law.

9.5 Non-Exclusivity of Rights.

The rights conferred on any Person by this Article IX shall not be exclusive of any other rights which such Person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, these bylaws, agreement, vote of stockholders or disinterested directors or otherwise.

9.6 Insurance.

The Corporation may purchase and maintain insurance on behalf of any Person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust enterprise or non-profit entity against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify him or her against such liability under the provisions of the DGCL.

9.7 Other Indemnification.

The Corporation's obligation, if any, to indemnify or advance expenses to any Person who was or is serving at its request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, enterprise or non-profit entity shall be reduced by any amount such Person may collect as indemnification or advancement of expenses from such other corporation, partnership, joint venture, trust, enterprise or non-profit enterprise.

9.8 Continuation of Indemnification.

The rights to indemnification and to prepayment of expenses provided by, or granted pursuant to, this Article IX shall continue notwithstanding that the Person has ceased to be a director or officer of the Corporation and shall inure to the benefit of the estate, heirs, executors, administrators, legatees and distributees of such Person.

9.9 Amendment or Repeal; Interpretation.

The provisions of this Article IX shall constitute a contract between the Corporation, on the one hand, and, on the other hand, each individual who serves or has served as a director or officer of the Corporation (whether before or after the adoption of these bylaws), in consideration of such Person's performance of such services, and pursuant to this Article IX the Corporation intends to be legally bound to each such current or former director or officer of the Corporation. With respect to current and former directors and officers of the Corporation, the rights conferred under this Article IX are present contractual rights and such rights are fully vested, and shall be deemed to have vested fully, immediately upon adoption of these bylaws. With respect to any directors or officers of the Corporation who commence service following adoption of these bylaws, the rights conferred under this provision shall be present contractual rights and such rights shall fully vest, and be deemed to have vested fully, immediately upon such director or officer commencing service as a director or officer of the Corporation. Any repeal or modification of the foregoing provisions of this Article IX shall not adversely affect any right or protection (i) hereunder of any Person in respect of any act or omission occurring prior to the time of such repeal or modification or (ii) under any agreement providing for indemnification or advancement of expenses to an officer or director of the Corporation in effect prior to the time of such repeal or modification.

Any reference to an officer of the Corporation in this Article IX shall be deemed to refer exclusively to the chairperson of the Board, a vice chairperson of the Board, a president, a chief executive officer, a chief financial officer, a secretary or a treasurer appointed pursuant to Article V of these bylaws, and to any vice president, assistant secretary, assistant treasurer, or other officer of the Corporation appointed by (x) the Board pursuant to Article V of these bylaws or (y) an officer to whom the Board has delegated the power to appoint officers pursuant to Article V of these bylaws, and any reference to an officer of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise shall be deemed to refer exclusively to an officer appointed by the board of directors (or equivalent governing body) of such other entity pursuant to the certificate of incorporation and bylaws (or equivalent organizational documents) of such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise. The fact that any Person who is or was an employee of the Corporation or an employee of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise has been given or has used the title of "vice president" or any other title that could be construed to suggest or imply that such Person is or may be an officer of the Corporation or of such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise shall not result in such Person being constituted as, or being deemed to be, an officer of the Corporation or of such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise for purposes of this Article IX.

Article X - Amendments

The Board is expressly empowered to adopt, amend or repeal the bylaws of the Corporation. The stockholders also shall have power to adopt, amend or repeal the bylaws of the Corporation; *provided, however*, that, from and after the Trigger Event, in addition to any vote of the holders of any class or series of stock of the Corporation required by law or by the Certificate of Incorporation, such action by stockholders shall require the affirmative vote of the holders of at least 66 2/3% of the voting power of all the then-outstanding shares of voting stock of the Corporation with the power to vote thereon, voting together as a single class.

Article XI – Forum Selection

Unless the Corporation consents in writing to the selection of an alternative forum, (a) the Court of Chancery (the "Chancery Court") of the State of Delaware (or, in the event that the Chancery Court does not have jurisdiction, the federal district court for the District of Delaware or other state courts of the State of Delaware) shall, to the fullest extent permitted by law, be the sole and exclusive forum for (i) any derivative action, suit or proceeding brought on behalf of the Corporation, (ii) any action, suit or proceeding asserting a claim of breach of a fiduciary duty owed by any director, officer, employee or stockholder of the Corporation to the Corporation or to the Corporation's stockholders, (iii) any action, suit or proceeding arising pursuant to any provision of the DGCL or the Certificate of Incorporation or these bylaws (as either may be amended and/or restated from time to time) or (iv) any action, suit or proceeding asserting a claim against the Corporation governed by the internal affairs doctrine; and (b) subject to the preceding provisions of this Article XI, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933, as amended. If any action the subject matter of which is within the scope of clause (a) of the immediately preceding sentence is filed in a court other than the courts in the State of Delaware (a "Foreign Action") in the name of any stockholder, such stockholder shall be deemed to have consented to (x) the personal jurisdiction of the state and federal courts in the State of Delaware in connection with any action brought in any such court to enforce the provisions of clause (a) of the immediately preceding sentence and (y) having service of process made upon such stockholder in any such action by service upon such stockholder's counsel in the Foreign Action as agent for such stockholder.

Any Person or entity purchasing or otherwise acquiring or holding any interest in any security of the Corporation shall be deemed to have notice of and consented to this Article XI. Notwithstanding the foregoing, the provisions of this Article XI shall not apply to suits brought to enforce any liability or duty created by the Exchange Act or any other claim for which the federal courts of the United States have exclusive jurisdiction.

Article XII – Interpretation

If any provision or provisions of these bylaws shall be held to be invalid, illegal or unenforceable as applied to any circumstance for any reason whatsoever: (i) the validity, legality and enforceability of such provision or provisions in any other circumstance and of the remaining provisions of these bylaws shall not in any way be affected or impaired thereby and (ii) to the fullest extent possible, the provisions of these bylaws shall be construed so as to permit the Corporation to protect its directors, officers, employees and agents from personal liability in respect of their good faith service or for the benefit of the Corporation to the fullest extent permitted by law.

For as long as the Stockholders Agreement remains in effect, in the event of any conflict between the terms and provisions of these bylaws and those contained in the Stockholders Agreement, the terms and provisions of the Stockholders Agreement shall govern and control, except as provided otherwise by mandatory provisions of the DGCL.

Article XIII – Definitions

As used in these bylaws, unless the context otherwise requires, the term:

"Affiliate" means, with respect to any Person, any other Person that controls, is controlled by, or is under common control with such Person. For the purposes of this definition, "control," when used with respect to any Person, means the power to direct or cause the direction of the affairs or management of that Person, whether through the ownership of voting securities, as trustee (or the power to appoint a trustee), as a personal representative or executor, by contract, credit arrangement or otherwise and "controlled" and "controlling" have meanings correlative to the foregoing.

An "electronic transmission" means any form of communication, not directly involving the physical transmission of paper, including the use of, or participation in, one or more electronic networks or databases (including one or more distributed electronic networks (including email) or databases), that 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.

"Founder" means Bahram Akradi, the Corporation's Founder, Chairman and Chief Executive Officer and entities affiliated with Mr. Akradi.

"J. Safra" means JSS LTF Holdings Limited together with any transferee controlled directly or indirectly by Mr. Joseph Yacoub Safra's family or the J. Safra Group.

"LifeCo" means LifeCo LLC and its affiliates.

"LGP" means investment funds affiliated with or advised by Leonard Green & Partners, L.P.

"LNK" means LNK Partners and its affiliates.

"MSD" means MSD Capital, L.P. and its affiliates.

"Person" means any individual, general partnership, limited partnership, limited liability company, corporation, trust, business trust, joint stock company, joint venture, unincorporated association, cooperative or association or any other legal entity or organization of whatever nature, and shall include any successor (by merger or otherwise) of such entity.

"PG" means Partners Group (USA) Inc. and its affiliates.

"Principal Stockholders" means J. Safra, LifeCo, LGP, LNK, MSD, PG, SLT, TPG and TRS.

"SLT" means SLT Investors, LLC and its affiliates.

"Stockholders Agreement" means the Amended and Restated Stockholders Agreement, dated [●], 2021, by and among the Corporation, the Founder, the Principal Stockholders and other parties thereto, as may be amended and/or restated from time to time.

"TPG" means investment funds affiliated with or advised by TPG Global, LLC.

"Trigger Event" means the first date on which the Principal Stockholders and the Founder collectively cease to beneficially own (directly or indirectly) more than 50% of the voting power of the outstanding shares of Common Stock. For the purpose of these bylaws, "beneficial ownership" shall be determined in accordance with Rule 13d-3 promulgated under the Exchange Act.

"TRS" means Teacher Retirement System of Texas and its affiliates.

Life Time Group Holdings, Inc.

Certificate of Amendment and Restatement of Bylaws

The undersigned hereby certifies that he is the duly elected, qualified, and acting Secretary of Life Time Group Holdings, Inc., a Delaware corporation (the "Corporation"), and that the foregoing bylaws were approved on [●], 2021, effective as of [●], 2021, by the Corporation's board of directors.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this [●] day of [●], 2021.

/s/ [●]
Erik Lindseth
Secretary

Exhibit 4.1

INDENTURE

Dated as of January 22, 2021

Among

Life Time, Inc.,

The Guarantors Party Hereto

And

Wilmington Savings Fund Society, FSB,

as Trustee and Notes Collateral Agent

5.750% SENIOR SECURED NOTES DUE 2026

CONTENTS

INDENTURE, dated as of January 22, 2021, between Life Time, Inc., a Minnesota corporation, the Guarantors party hereto from time to time (as defined herein), and Wilmington Savings Fund Society, FSB, as trustee (in such capacity, the "Trustee") and as notes collateral agent (in such capacity, the "Notes Collateral Agent").

W I T N E S S E T H

WHEREAS, the Issuer (as defined herein) has duly authorized the creation of an issue of $925,000,000 aggregate principal amount of the Issuer's 5.750% senior secured notes due 2026 (the "Notes"); and

WHEREAS, the Issuer has duly authorized the execution and delivery of this Indenture (as defined herein).

NOW, THEREFORE, the Issuer and the Trustee agree as follows for the benefit of each other and for the equal and ratable benefit of the Holders (as defined herein).

ARTICLE I

DEFINITIONS AND INCORPORATION BY REFERENCE

SECTION 1.01. Definitions.

"144A Global Note" means a Global Note substantially in the form ofExhibit A attached hereto, bearing the Global Note Legend and the Private Placement Legend and deposited with or on behalf of, and registered in the name of, the Depositary or its nominee, issued in a denomination equal to the outstanding principal amount of the Notes sold in reliance on Rule 144A.

"Acquired Indebtedness" means, with respect to any specified Person,

(1) Indebtedness of any other Person existing at the time such other Person is merged, consolidated or amalgamated with or into or became a Restricted Subsidiary of such specified Person, including Indebtedness incurred in connection with, or in contemplation of, such other Person merging, amalgamating or consolidating with or into, or becoming a Restricted Subsidiary of, such specified Person, and

(2) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

"Additional Notes" means additional Notes (other than the Initial Notes) issued under this Indenture in accordance with Sections 2.02, 4.09 and 4.12 hereof, as part of the same series as the Notes issued on the Issue Date (the "Initial Notes").

"Adjusted EBITDA" means, with respect to any Person for any period, the Consolidated Net Income of such Person and its Restricted Subsidiaries for such period:

(1) increased (without duplication) by the following, in each case to the extent deducted (and not added back) in determining Consolidated Net Income for such period (other than clauses (h), (l) and (m)):

(a) Fixed Charges and, to the extent not reflected in such Fixed Charges, any losses on Hedging Obligations or other derivative instruments entered into for the purpose of hedging interest rate risk, net of interest income and gains on such Hedging Obligations or such derivative instruments, and bank and letter of credit fees and costs of surety bonds in connection with financing activities, together with items excluded from the definition of "Consolidated Interest Expense" pursuant to the definition thereof; *plus*

(b) provision for taxes based on income, profits, revenue or capital, including federal, foreign and state income, franchise, excise, value added and similar taxes, property taxes and similar taxes, and foreign withholding taxes paid or accrued during such period (including any future taxes or other levies that replace or are intended to be in lieu of taxes, and any penalties and interest related to taxes or arising from tax examinations), and any payments to a Parent Company in respect of such taxes permitted to be made under this Indenture; *plus*

(c) Consolidated Depreciation and Amortization Expense for such period;*plus*

(d) any other non-cash charges, including any write-offs or write-downs reducing Consolidated Net Income for such period (*provided*, if any such non-cash charges represent an accrual or reserve for potential cash items in any future period, (A) the Issuer may determine not to add back such non-cash charge in the current period and (B) to the extent the Issuer does decide to add back such non-cash charge, the cash payment in respect thereof in such future period shall be subtracted from Adjusted EBITDA to such extent, and excluding amortization of a prepaid cash item that was paid in a prior period); *plus*

(e) minority interest expense, the amount of any non-controlling interest consisting of income attributable to non-controlling interests of third parties in any non-wholly-owned Subsidiary deducted (and not added back) in such period to Consolidated Net Income, excluding cash distributions in respect thereof, and the amount of any reductions in arriving at Consolidated Net Income resulting from the application of Accounting Standards Codification Topic No. 810, *Consolidation; plus*

(f) (i) the amount of management, monitoring, consulting, transaction, advisory and other fees (including termination fees) and indemnities and expenses paid or accrued in such period under the Management Services Agreement or otherwise to the extent otherwise permitted under Section 4.11 and (ii) the amount of payments made to option holders of such Person or any Parent Company in connection with, or as a result of, any distribution being made to shareholders of such Person or its Parent Companies, which payments are being made to compensate such option holders as though they were shareholders at the time of, and entitled to share in, such distribution, in each case to the extent permitted under this Indenture; *plus*

(g) the amount of loss or discount on sale of receivables, Securitization Assets and related assets to any Securitization Subsidiary in connection with a Qualified Securitization Facility; *plus*

(h) cash receipts (or any netting arrangements resulting in reduced cash expenditures) not representing Adjusted EBITDA or Consolidated Net Income in any period to the extent non-cash gains relating to such income were deducted in the calculation of Adjusted EBITDA pursuant to clause (2) of this definition for any previous period and not added back; *plus*

(i) any costs or expenses incurred pursuant to any management equity plan, stock option plan or any other management or employee benefit plan, agreement or any stock subscription or shareholder agreement, to the extent that such costs or expenses are funded with cash proceeds contributed to the capital of such Person or net cash proceeds of an issuance of Equity Interest of such Person (other than Disqualified Stock); *plus*

(j) any net pension or other post-employment benefit costs representing amortization of unrecognized prior service costs, actuarial losses, including amortization of such amounts arising in prior periods, amortization of the unrecognized net obligation (and loss or cost) existing at the date of initial application of *FASB Accounting Standards Codification Topic 715—Compensation—Retirement Benefits*, and any other items of a similar nature; *plus*

(k) any net loss from operations expected to be disposed of, abandoned or discontinued within twelve months after the end of such period; *plus*

(l) the amount of "run rate" net cost savings, synergies and operating expense reductions (other than any of the foregoing related to Specified Transactions) projected by the Issuer in good faith to result from actions taken, committed to be taken or that are expected in good faith to be taken no later than twenty four (24) months after the end of such period (calculated on a *pro forma* basis as though such cost savings, operating expense reductions and synergies had been realized on the first day of the period for which Adjusted EBITDA is being determined and if such cost savings, operating expense reductions and synergies were realized during the entirety of such period), net of the amount of actual benefits realized during such period from such actions; *provided*, such cost savings, operating expense reductions and synergies are reasonably identifiable and factually supportable (it is understood and agreed that "run-rate" means the full recurring benefit for a period that is associated with any action taken, committed to be taken or with respect to which substantial steps have been taken or are expected to be taken); *plus*

(m) any payments in the nature of compensation or expense reimbursement made to independent board members;

(2) decreased (without duplication) by the following, in each case to the extent included in determining Consolidated Net Income for such period:

(a) non-cash gains for such period (excluding any non-cash gain to the extent it represents the reversal of an accrual or reserve for a potential cash item that reduced Consolidated Net Income or Adjusted EBITDA in any prior period other than any such accrual or reserve that has been added back to Consolidated Net Income in calculating Adjusted EBITDA in accordance with this definition); and

(b) the amount of any non-controlling interest consisting of loss attributable to non-controlling interests of third parties in any non-Wholly-Owned Subsidiary added (and not deducted in such period from Consolidated Net Income).

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise.

"Agent" means any Registrar, co-registrar, Transfer Agent, Paying Agent or additional paying agent.

"AHYDO Payment" means any mandatory prepayment or redemption pursuant to the terms of any Indebtedness that is intended or designed to cause such Indebtedness not to be treated as an "applicable high yield discount obligation" within the meaning of Section 163(i) of the Code.

"Applicable Agent" means the Bank Collateral Agent until the earlier of:

(1) the Senior Credit Facility Termination Date; and

(2) the Cut-Off Date, unless the Cut-Off Date has been stayed, deemed not to have occurred or rescinded pursuant to the definition thereof.

After such date, the Applicable Agent will be the First Lien Agent for the series of First Lien Obligations that constitutes the largest outstanding principal amount of any then outstanding series of First Lien Obligations under the Equal Priority Intercreditor Agreement, other than the Senior Credit Facilities, with respect to the Shared Collateral, and which prior to such date shall also be referred to as the "Major Non-Controlling Agent."

"Applicable Premium" means, with respect to any Note on any Redemption Date, the greater of:

(1) 1.0% of the principal amount of such Note; and

(2) the excess, if any, of:

(a) the present value at such Redemption Date calculated as of the date of the applicable redemption notice of (i) the redemption price of such Note at January 15, 2023 (each such redemption price being set forth in the table appearing in Section 3.07(e)), *plus* (ii) all required remaining scheduled interest payments due on such Note through January 15, 2023 (excluding accrued but unpaid interest to, but excluding, the Redemption Date), computed using a discount rate equal to the Treasury Rate as of such Redemption Date *plus* 50 basis points (such discount rate shall not be less than zero); over

(b) the then outstanding principal amount of such Note on such Redemption Date,

as calculated by the Issuer or on behalf of the Issuer by such Person as the Issuer will designate;*provided*, such calculation will not be the duty or obligation of the Trustee.

"Applicable Procedures" means, with respect to any transfer or exchange of or for beneficial interests in any Global Note, the rules and procedures of the Depositary, Euroclear and Clearstream that apply to such transfer or exchange.

"Asset Sale" means:

(1) the sale, conveyance, transfer or other disposition, whether in a single transaction or a series of related transactions of property or assets of the Issuer or any Restricted Subsidiary (each referred to in this definition as a "disposition"); or

(2) the issuance or sale of Equity Interests (other than Preferred Stock or Disqualified Stock of Restricted Subsidiaries issued in compliance with Section 4.09 and directors' qualifying shares or shares or interests required to be held by foreign nationals or other third parties to the extent required by applicable law) of any Restricted Subsidiary (other than to the Issuer or another Restricted Subsidiary), whether in a single transaction or a series of related transactions;

in each case, other than:

(a) any disposition of (i) Cash Equivalents or Investment Grade Securities, (ii) obsolete, damaged or worn out property or assets in the ordinary course of business or consistent with industry practice or any disposition of inventory, assets or goods (or other assets) held for sale or no longer used or useful in the ordinary course, (iii) assets no longer economically practicable or commercially reasonable to maintain (as determined in good faith by the management of the Issuer), (iv) dispositions to landlords of improvements made to leased real property pursuant to customary terms of leases entered into in the ordinary course of business and (v) assets for purposes of charitable contributions or similar gifts to the extent such assets are not material to the ability of the Issuer and its Restricted Subsidiaries, taken as a whole, to conduct its business in the ordinary course;

(b) the disposition of all or substantially all of the assets of the Issuer in a manner permitted pursuant to Section 5.01 or any disposition that constitutes a Change of Control pursuant to this Indenture;

(c) any disposition in connection with the making of any Restricted Payment that is permitted to be made, and is made, under Section 4.07 or any Permitted Investment or any acquisition otherwise permitted by this Indenture;

(d) any disposition of property or assets or issuance or sale of Equity Interests of any Restricted Subsidiary in any transaction or series of related transactions with an aggregate fair market value of less than the greater of $30.0 million and 7.5% of Run-Rate Adjusted EBITDA of the Issuer for the most recently ended Test Period;

(e) any disposition of property or assets or issuance of securities by a Restricted Subsidiary to the Issuer or by the Issuer or a Restricted Subsidiary to a Restricted Subsidiary;

(f) to the extent allowable under Section 1031 of the Code, any exchange of like property (excluding any boot thereon) for use in a Similar Business;

(g) (i) the lease, assignment orsub-lease, license or sublicense of any real or personal property in the ordinary course of business or consistent with industry practice and (ii) the exercise of termination rights with respect to any lease, sub-lease, license or sublicense or other agreement;

(h) any issuance, disposition or sale of Equity Interests in, or Indebtedness, assets or other securities of, an Unrestricted Subsidiary;

(i) foreclosures, condemnation, expropriation, eminent domain or any similar action with respect to assets or the granting of Liens not prohibited by this Indenture;

(j) sales of accounts receivable, or participations therein, or Securitization Assets or related assets in connection with any Qualified Securitization Facility or the disposition of an account receivable in connection with the collection or compromise thereof in the ordinary course of business or consistent with industry practice or in bankruptcy or similar proceedings;

(k) any financing transaction with respect to property built or acquired by the Issuer or any Restricted Subsidiary after the Issue Date, including asset securitizations permitted by this Indenture;

(l) the sale, lease, assignment, license, sublease or discount of inventory, equipment, accounts receivable, notes receivable or other current assets in the ordinary course of business or consistent with industry practice or the conversion of accounts receivable to notes receivable or other dispositions of accounts receivable in connection with the collection thereof;

(m) the licensing or sub-licensing of intellectual property or other general intangibles in the ordinary course of business or consistent with industry practice;

(n) any surrender or waiver of contract rights or the settlement, release or surrender of contract rights or other litigation claims in the ordinary course of business or consistent with industry practice;

(o) the unwinding of any Hedging Obligations;

(p) sales, transfers and other dispositions of Investments in joint ventures to the extent required by, or made pursuant to, customary buy/sell arrangements between the joint venture parties set forth in joint venture arrangements and similar binding arrangements;

(q) the lapse or abandonment of intellectual property rights in the ordinary course of business or consistent with industry practice, which in the reasonable good faith determination of the Issuer are not material to the conduct of the business of the Issuer and its Restricted Subsidiaries taken as a whole;

(r) the granting of a Lien that is permitted under Section 4.12;

(s) the issuance of directors' qualifying shares and shares of Capital Stock of Foreign Subsidiaries issued to foreign nationals as required by applicable law;

(t) the disposition of any assets (including Equity Interests) (i) acquired in a transaction permitted under this Indenture, which assets are not used or useful in the principal business of the Issuer and its Restricted Subsidiaries or (ii) made in connection with the approval of any applicable antitrust authority or otherwise necessary or advisable in the good faith determination of the Issuer to consummate any acquisition permitted under this Indenture;

(u) dispositions of property to the extent that such property is exchanged for credit against the purchase price of similar replacement property;

(v) in connection with any Sale and Lease-Back Transaction, including with an Unrestricted Subsidiary;

(w) the settlement or early termination of any Permitted Bond Hedge Transaction and the settlement or early termination of any related Permitted Warrant Transaction;

(x) dispositions of vacant land or aircraft;

(y) a disposition of all or a portion of the Equity Interests in or assets of Athlinks, Inc. and its Subsidiaries; and

(z) the sales of property or assets for an aggregate fair market value not to exceed $125.0 million since the Issue Date.

"Attributable Indebtedness" means, on any date, with respect of any Capitalized Lease Obligation of any Person, the amount thereof that would appear as a liability on a balance sheet of such Person prepared as of such date in accordance with GAAP.

"Average Return on Invested Capital" means 16.4%.

"Bank Collateral Agent" means Deutsche Bank AG New York Branch, as collateral agent under the Senior Credit Agreement and its replacements, successors and permitted assigns thereunder, including in its capacity as Mortgage Collateral Agent, if applicable.

"Bankruptcy Code" means Title 11 of the United States Code, as amended.

"Board of Directors" means, for any Person, the board of directors or other governing body of such Person or, if such Person does not have such a board of directors or other governing body and is owned or managed by a single entity, the Board of Directors of such entity, or, in either case, any committee thereof duly authorized to act on behalf of such Board of Directors. Unless otherwise provided, "Board of Directors" means the board of directors of the Issuer.

"Business Day" means each day which is not a Legal Holiday.

"Capital Markets Indebtedness" means any Indebtedness consisting of bonds, debentures, notes or other similar debt securities issued in (a) a public offering registered under the Securities Act, (b) a private placement to institutional investors that is resold in accordance with Rule 144A or Regulation S under the Securities Act, whether or not it includes registration rights entitling the holders of such debt securities to registration thereof with the SEC or (c) a private placement to institutional investors. For the avoidance of doubt, the term "Capital Markets Indebtedness" does not include any Indebtedness under commercial bank facilities, Indebtedness incurred in connection with a Sale and Lease-Back Transaction, Indebtedness incurred in the ordinary course of business of the Issuer, Capitalized Lease Obligations or recourse transfer of any financial asset or any other type of Indebtedness incurred in a manner not customarily viewed as a "securities offering".

"Capital Stock" means:

(1) in the case of a corporation, corporate stock or shares in the capital of such corporation;

(2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(3) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited); and

(4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person;

but excluding from all of the foregoing any debt securities convertible into or exchangeable for Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

"Capitalized Lease Obligation" means, at the time any determination thereof is to be made, the amount of the liability in respect of a finance lease that would at such time be required to be capitalized and reflected as a liability on a balance sheet (excluding the footnotes thereto) prepared in accordance with GAAP as in effect on the Issue Date. For the avoidance of doubt, no obligations under an operating lease (whether or not required to be capitalized and reflected as a liability on the balance sheet) shall be Capitalized Lease Obligations.

"Capitalized Software Expenditures" means, for any period, the aggregate of all expenditures (whether paid in cash or accrued as liabilities) by a Person and its Restricted Subsidiaries during such period in respect of licensed or purchased software or internally developed software and software enhancements that, in conformity with GAAP, are or are required to be reflected as capitalized costs on the consolidated balance sheet of a Person and its Restricted Subsidiaries.

"Captive Insurance Subsidiary" means any Subsidiary of the Issuer that is subject to regulation as an insurance company (or any Subsidiary thereof).

"Cash Equivalents" means:

(1) United States dollars;

(2) (a) Euros, Yen, Canadian Dollars, Pounds Sterling or any national currency of any Participating Member State of the EMU; or

(b) in the case of any Foreign Subsidiary or any jurisdiction in which the Issuer or its Restricted Subsidiaries conducts business, such local currencies held by it from time to time in the ordinary course of business or consistent with industry practice;

(3) readily marketable direct obligations issued or directly and fully and unconditionally guaranteed or insured by the United States government or any agency or instrumentality thereof the securities of which are unconditionally guaranteed as a full faith and credit obligation of such government with maturities of 36 months or less from the date of acquisition;

(4) certificates of deposit, time deposits and eurodollar time deposits with maturities of three years or less from the date of acquisition, demand deposits, bankers' acceptances with maturities not exceeding three years and overnight bank deposits, in each case with any domestic or foreign commercial bank having capital and surplus of not less than $500.0 million in the case of U.S. banks and $100.0 million (or the United States dollar equivalent as of the date of determination) in the case of non-U.S. banks;

(5) repurchase obligations for underlying securities of the types described in clauses (3) and (4) above or clauses (7) and (8) below entered into with any financial institution or recognized securities dealer meeting the qualifications specified in clause (4) above;

(6) commercial paper and variable or fixed rate notes rated at leastP-2 by Moody's or at least A-2 by S&P (or, if at any time neither Moody's nor S&P is rating such obligations, an equivalent rating from another nationally recognized statistical rating agency selected by the Issuer) and in each case maturing within 36 months after the date of acquisition;

(7) marketable short-term money market and similar liquid funds having a rating of at leastP-2 or A-2 from either Moody's or S&P, respectively (or, if at any time neither Moody's nor S&P is rating such obligations, an equivalent rating from another nationally recognized statistical rating agency selected by the Issuer);

(8) securities issued or directly and fully and unconditionally guaranteed by any state, commonwealth or territory of the United States or any political subdivision or taxing authority of any such state, commonwealth or territory or any public instrumentality thereof having maturities of not more than 36 months from the date of acquisition thereof;

(9) readily marketable direct obligations issued or directly and fully and unconditionally guaranteed by any foreign government or any political subdivision or public instrumentality thereof, in each case, having an Investment Grade Rating from either Moody's or S&P (or, if at any time neither Moody's nor S&P is rating such obligations, an equivalent rating from another nationally recognized statistical rating agency selected by the Issuer) with maturities of 36 months or less from the date of acquisition;

(10) Indebtedness or Preferred Stock issued by Persons with a rating of "A" or higher from S&P or "A2" or higher from Moody's (or, if at any time neither Moody's nor S&P is rating such obligations, an equivalent rating from another nationally recognized statistical rating agency selected by the Issuer) with maturities of 24 months or less from the date of acquisition;

(11) Investments with average maturities of 36 months or less from the date of acquisition in money market funds ratedAAA-(or the equivalent thereof) or better by S&P or Aaa3 (or the equivalent thereof) or better by Moody's (or, if at any time neither Moody's nor S&P is rating such obligations, an equivalent rating from another nationally recognized statistical rating agency selected by the Issuer);

(12) investment funds investing substantially all of their assets in securities of the types described in clauses (1) through (11) above; and

(13) solely with respect to any Captive Insurance Subsidiary, any investment that the Captive Insurance Subsidiary is not prohibited to make in accordance with applicable law.

In the case of Investments by any Foreign Subsidiary or Investments made in a country outside the United States of America, Cash Equivalents will also include (i) investments of the type and maturity described in clauses (1) through (13) above of foreign obligors, which Investments or obligors (or the parents of such obligors) have ratings described in such clauses or equivalent ratings from comparable foreign rating agencies and (ii) other short-term investments utilized by Foreign Subsidiaries in accordance with normal investment practices for cash management in investments analogous to the foregoing investments in clauses (1) through (13) and in this paragraph.

Notwithstanding the foregoing, Cash Equivalents will include amounts denominated in currencies other than those set forth in clauses (1) and (2) above; *provided*, such amounts, except amounts used to pay non-dollar denominated obligations of the Issuer or any Restricted Subsidiary in the ordinary course of business, are converted into any currency listed in clause (1) or (2) above as promptly as practicable and in any event within ten (10) Business Days following the receipt of such amounts.

"Cash Management Obligations" means Obligations in respect of Cash Management Services.

"Cash Management Services" means any agreement or arrangement to provide cash management services, including treasury, depository, cash pooling arrangements, automated clearing house transfers, overdraft, credit card processing or credit or debit card, purchase card, electronic funds transfer and other cash management and similar arrangements.

"CFC" means a "controlled foreign corporation" within the meaning of Section 957(a) of the Code.

"CFC Holdco" means a Domestic Subsidiary that has no material assets other than the Equity Interests in or Indebtedness of one or more Foreign Subsidiaries that are CFCs, including the indirect ownership of such Equity Interests or Indebtedness through one or more CFC Holdcos that have no other material assets.

"Change of Control" means the occurrence of the following after the Issue Date:

(a) any Person (other than a Permitted Holder) or (b) Persons (other than one or more Permitted Holders) constituting a "group" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act), becoming the "beneficial owner" (as defined in Rules 13(d)-3 and 13(d)-5 under such Act, but excluding any employee benefit plan and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) of Equity Interests of the Issuer or such Parent Company representing more than fifty percent (50%) of the aggregate ordinary voting power represented by the issued and outstanding Equity Interests of the Issuer or such Parent Company, as applicable, and the percentage of aggregate ordinary voting power so held is greater than the percentage of the aggregate ordinary voting power represented by the Equity Interests of the Issuer or such Parent Company beneficially owned, directly or indirectly, in the aggregate by the Permitted Holders, in each case, on a fully diluted basis (*provided*, *however*, that for purposes of measuring beneficial ownership held by any Person that is not a Permitted Holder, Equity Interests held by any Permitted Holder will be excluded);

unless, in each case, the Permitted Holders have, at such time, the right or the ability by voting power, contract or otherwise to elect or designate for election at least a majority of the board of directors of the Issuer or any Parent Company.

Notwithstanding the foregoing, a Person or group shall not be deemed to have beneficial ownership of securities that such person or group has the right to acquire or vote only upon the happening of any future event or contingency (including the passage of time) that has not yet occurred (including securities subject to a stock purchase agreement, merger agreement or similar agreement (or voting or option agreement related thereto) prior to the consummation of the transactions contemplated by such agreement).

In addition, notwithstanding the foregoing, the following shall not constitute a Change of Control:

(1) a transaction in which the Issuer or a parent entity of the Issuer becomes a Subsidiary of another Person (such Person, the "New Parent") shall not constitute a Change of Control if (a) the equity holders of the Issuer or such parent entity immediately prior to such transaction beneficially own, directly or indirectly through one or more intermediaries, at least a majority of the total voting power of the Voting Stock of the Issuer or such New Parent immediately following the consummation of such transaction, substantially in proportion to their holdings of the equity of the Issuer or such parent entity prior to such transaction or (b) immediately following the consummation of such transaction, no Person, other than a Permitted Holder, the New Parent or any Subsidiary of the New Parent, beneficially owns, directly or indirectly through one or more intermediaries, more than 50% of the voting power of the Voting Stock of the Issuer or the New Parent; or

(2) the transfer of assets between or among the Issuer and the Restricted Subsidiaries.

"Clearstream" means Clearstream Banking, Société Anonyme and its successors.

"Co-Investors" means any of (a) the holders of Equity Interests in Holdings (or any Parent Company) on the Issue Date, (b) the transferees, if any, that acquire, within ninety (90) days of the Issue Date, any Equity Interests in Holdings (or any Parent Company) held by any Investor, Co-Investor or Management Stockholder as of the Issue Date and (c) any of their respective Affiliates and funds or partnerships managed or advised by any of them or any of their respective Affiliates.

"Code" means the U.S. Internal Revenue Code of 1986, as amended from time to time.

"Collateral" means the assets of any Grantor subject to Liens created pursuant to any Notes Security Documents.

"Collateral and Guarantee Requirement" means, at any time, the requirement that:

(1) the Notes Collateral Agent (or a Mortgage Collateral Agent, if applicable) shall have received each Notes Security Document required to be delivered (a) on the Issue Date as required by this Indenture or (b) at such time required by Indenture to be delivered, in each case, duly executed by the Issuer or a Guarantor that is party thereto;

(2) all Obligations shall have been unconditionally guaranteed by the Guarantors;

(3) except to the extent otherwise provided hereunder or under any Notes Security Document, the Obligations and the Guarantees shall have been secured by a perfected security interest, subject only to Liens permitted by Section 4.12 and Permitted Liens, in

(a) all the Equity Interests of the Issuer,

(b) all Equity Interests of each direct, wholly owned Material Domestic Subsidiary (other than any CFC Holdco) that is directly owned by the Issuer or any Subsidiary Guarantor and

(c) 65% of the issued and outstanding voting Equity Interests and 100% of the issued and outstanding Equity Interests that are not voting Equity Interests of each (i) wholly owned Material Domestic Subsidiary that is (a) a CFC Holdco and (b) directly owned by the Issuer or any Subsidiary Guarantor and (ii) Foreign Subsidiary that is directly owned by the Issuer or any Subsidiary Guarantor;

(4) except to the extent otherwise provided hereunder, including subject to Liens permitted by Section 4.12 and Permitted Liens or under any Notes Security Document and in each case subject to exceptions and limitations otherwise set forth in this Indenture and the Notes Security Documents, the Obligations and the Guarantees shall have been secured by a security interest in substantially all tangible and intangible personal property of the Issuer and each Guarantor (including accounts other than Securitization Assets), inventory, equipment, investment property, contract rights, applications and registrations of intellectual property filed in the United States, other general intangibles, and proceeds of the foregoing, in each case,

(a) that has been perfected (to the extent such security interest may be perfected) by

(i) delivering certificated securities, intercompany notes and other instruments in which a security interest can be perfected by physical control, in each case to the extent required hereunder or the Security Agreement;

(ii) filing financing statements under the UCC,

(iii) making any necessary filings with the United States Patent and Trademark Office or United States Copyright Office or

(iv) filings in the applicable real estate records with respect to Mortgaged Properties (or any fixtures related to Mortgaged Properties) to the extent required by this Indenture or Notes Security Documents and

(b) with the priority required by the Notes Security Documents;*provided* that any such security interests in the Collateral shall be subject to the terms of the Intercreditor Agreements to the extent applicable; and

(5) the Notes Collateral Agent (or Mortgage Collateral Agent, if applicable, with copies to the Notes Collateral Agent) shall have received counterparts of a Mortgage, together with the other deliverables in Section 10.09, with respect to each Mortgaged Property duly executed and delivered by the record owner of such property within the time periods set forth in Section 10.09, *provided* that to the extent any Mortgaged Property is located in a jurisdiction which imposes mortgage recording taxes, intangibles tax, documentary tax or similar recording fees or taxes, the relevant Mortgage shall not secure an amount in excess of the fair market value of the Mortgaged Property subject thereto, and provided, further, upon the reasonable agreement of the Issuer and the Bank Collateral Agent, the Issuer or the applicable Guarantor may satisfy the Collateral and Guarantee Requirement with respect to the delivery of a Mortgage on any Material Real Property that is required to be or has been mortgaged under the Senior Credit Facilities by delivering a mortgage to a Mortgage Collateral Agent or amending an existing mortgage to be in favor of a Mortgage Collateral Agent and to secure the Obligations under this Indenture in addition to the Obligations under the Senior Credit Facilities (and any Additional First Lien Obligations, as applicable) and to otherwise be in form and substance reasonably satisfactory to the Bank Collateral Agent and the Notes Collateral Agent.

The foregoing definition shall not require, and this Indenture, the Notes, the Guarantees, the Notes Security Documents and the Intercreditor Agreements shall not contain any requirements as to, the creation, perfection or maintenance of pledges of, or security interests in, Mortgages on, or the obtaining of Mortgage Policies, surveys, abstracts or appraisals or taking other actions with respect to, any Excluded Assets.

The Bank Collateral Agent may grant extensions of time under the Senior Credit Agreement or the Security Documents for the creation, perfection or maintenance of security interests in, or the execution or delivery of any Mortgage and the obtaining of title insurance, surveys or an Opinion of Counsel with respect to, particular assets (including extensions beyond the Issue Date for the creation, perfection or maintenance of security interests in the assets of the Issuer and the Guarantors on such date). To the extent the Bank Collateral Agent grants such extensions, such extension will be automatically granted under this Indenture and the Notes Security Documents.

No actions required by the laws of any non-U.S. jurisdiction shall be required in order to create any security interests in any assets or to perfect or make enforceable such security interests (including any intellectual property registered or applied for in any non-U.S. jurisdiction) and there shall be no security agreements or pledge agreements governed under the laws of any non-U.S. jurisdiction. No actions shall be required with respect to assets (other than in respect of Pledged Collateral (to the extent required under the Security Agreement)) requiring perfection through control agreements or perfection by “control” (as defined in the UCC).

"Consolidated Depreciation and Amortization Expense" means, with respect to any Person for any period, the total amount of depreciation and amortization expense of such Person and its Restricted Subsidiaries, including, the amortization of intangible assets, deferred financing fees, debt issuance costs, commissions, fees and expenses and amortization of Capitalized Software Expenditures of such Person and its Restricted Subsidiaries for such period on a consolidated basis and otherwise determined in accordance with GAAP.

"Consolidated Interest Expense" means, with respect to any Person for any period, without duplication, the sum of:

(1) cash interest expense (including that attributable to Capitalized Lease Obligations), net of cash interest income, with respect to Indebtedness of such Person and its Restricted Subsidiaries for such period, other than Non-Recourse Indebtedness, including commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing and net cash costs under hedging agreements (other than in connection with the early termination thereof); *plus*

(2) non-cash interest expense resulting solely from (a) the amortization of original issue discount from the issuance of Indebtedness of such Person and its Restricted Subsidiaries at less than par (excluding the Notes and any Indebtedness borrowed under the Senior Credit Facilities and any Non-Recourse Indebtedness), *plus* (b) pay-in-kind interest expense of such Person and its Restricted Subsidiaries payable pursuant to the terms of the agreements governing such Indebtedness for borrowed money,

excluding, in each case, (i) amortization of deferred financing costs, debt issuance costs, commissions, fees and expenses and any other amounts of non-cash interest other than referred to in clauses (2)(a) and 2(b) above (including as a result of the effects of acquisition method accounting or pushdown accounting), (ii) interest expense attributable to the movement of the mark-to-market valuation of obligations under Hedging Obligations or other derivative instruments, including pursuant to FASB Accounting Standards Codification Topic 815—*Derivatives and Hedging*, (iii) costs associated with incurring and/or terminating Hedging Obligations and cash costs associated with breakage in respect of hedging agreements for interest rates, (iv) commissions, discounts, yield, make-whole premium and other fees and charges (including any interest expense) incurred in connection with any Non-Recourse Indebtedness, (v) "additional interest" owing pursuant to a registration rights agreement with respect to any securities, (vi) any payments with respect to make-whole premiums or other breakage costs of any Indebtedness, including any Indebtedness issued in connection with the Transactions and the Refinancing Transactions, (vii) penalties and interest relating to taxes, (viii) accretion or accrual of discounted liabilities not constituting Indebtedness, (ix) interest expense attributable to a Parent Company resulting from push-down accounting, (x) any expense resulting from the discounting of Indebtedness in connection with the application of recapitalization or purchase accounting, (xi) any interest expense attributable to the exercise of appraisal rights and the

settlement of any claims or actions (whether actual, contingent or potential), with respect thereto and with respect to any acquisition or Investment and (xii) annual agency fees paid to the administrative agents and collateral agents with respect to any secured or unsecured loans, debt facilities, debentures, bonds, commercial paper facilities or other forms of Indebtedness (including any security or collateral trust arrangements related thereto), including under any Credit Facilities, the Notes or the Existing Notes.

For purposes of this definition, interest on a Capitalized Lease Obligation will be deemed to accrue at an interest rate reasonably determined by such Person to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP.

"Consolidated Net Income" means, with respect to any Person, for any period, the net income (loss) of such Person and its Restricted Subsidiaries for such period determined on a consolidated basis in accordance with GAAP, excluding (and excluding the effect of), without duplication,

(1) extraordinary, non-recurring or unusual gains, losses, fees, costs, charges or expenses (including relating to any multi-year strategic initiatives and accruals and reserves in connection with such gains, losses, charges or expenses); restructuring costs, charges, accruals or reserves (including restructuring and integration costs related to acquisitions and adjustments to existing reserves, and in each case, whether or not classified as such under GAAP); costs and expenses related to any reconstruction, decommissioning, recommissioning or reconfiguration of facilities and fixed assets for alternative uses; Public Company Costs; costs and expenses related to the integration, consolidation, opening, pre-opening and closing of facilities and fixed assets; severance and relocation costs and expenses, one-time compensation costs and expenses, consulting fees, signing, retention or completion bonuses, and executive recruiting costs; costs and expenses incurred in connection with strategic initiatives; transition costs and duplicative running costs; costs and expenses incurred in connection with non-ordinary course product and intellectual property development; costs incurred in connection with acquisitions (or purchases of assets) prior to or after the Issue Date (including integration costs); business optimization expenses (including costs and expenses relating to business optimization programs, new systems design, retention charges, system establishment costs and implementation costs and project start-up costs), accruals and reserves; operating expenses attributable to the implementation of cost-savings initiatives; curtailments and modifications to pension and post-retirement employee benefit plans (including any settlement of pension liabilities and charges resulting from changes in estimates, valuations and judgments);

(2) the cumulative effect of a change in accounting principles and changes as a result of the adoption or modification of accounting policies during such period whether effected through a cumulative effect adjustment or a retroactive application, in each case in accordance with GAAP;

(3) Transaction Expenses;

(4) any gain (loss) on asset sales, disposals or abandonments (other than asset sales, disposals or abandonments in the ordinary course of business or consistent with industry practice) or income (loss) from discontinued operations (but if such operations are classified as discontinued due to the fact that they are subject to an agreement to dispose of such operations, only when and to the extent such operations are actually disposed of);

(5) the Net Income for such period of any Person that is an Unrestricted Subsidiary, and, solely for the purpose of determining the amount available for Restricted Payments under Section 4.07(a)(iv)(C)(1), the Net Income for such period of any Person that is not a Subsidiary or that is accounted for by the equity method of accounting; (*provided*, Consolidated Net Income of a Person will be increased by the amount of dividends or distributions or other payments that are actually paid in cash or Cash Equivalents (or to the extent converted into cash or Cash Equivalents) to such Person or a Restricted Subsidiary thereof in respect of such period);

(6) solely for the purpose of determining the amount available for Restricted Payments under Section 4.07(a)(iv)(C)(1), the Net Income for such period of any Restricted Subsidiary (other than any Guarantor) to the extent that the declaration or payment of dividends or similar distributions by that Restricted Subsidiary of its Net Income is not at the date of determination permitted without any prior governmental approval (which has not been obtained) or, directly or indirectly, by the operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule, or governmental regulation applicable to that Restricted Subsidiary or its stockholders, unless such restriction with respect to the payment of dividends or similar distributions has been legally waived (or the Issuer reasonably believes such restriction could be waived and is using commercially reasonable efforts to pursue such waiver); *provided*, Consolidated Net Income of a Person will be increased by the amount of dividends or other distributions or other payments actually paid in cash or Cash Equivalents (or to the extent converted into cash or Cash Equivalents), or the amount that could have been paid in cash or Cash Equivalents without violating any such restriction or requiring any such approval, to such Person or a Restricted Subsidiary thereof in respect of such period, to the extent not already included therein;

(7) effects of adjustments (including the effects of such adjustments pushed down to such Person and its Restricted Subsidiaries) related to the application of recapitalization accounting or purchase accounting (including in the inventory, property and equipment, software, goodwill, intangible assets, in process research and development, deferred revenue and debt line items);

(8) income (loss) from the early extinguishment or conversion of (a) Indebtedness, (b) Hedging Obligations or (c) other derivative instruments;

(9) any impairment charge or asset write-off or write-down in each case, pursuant to GAAP, and the amortization of intangibles arising pursuant to GAAP;

(10) (a) any equity based or non-cash compensation charge or expense, including any such charge or expense arising from grants of stock appreciation, equity incentive programs or similar rights, stock options, restricted stock or other rights to, and any cash charges associated with the rollover, acceleration, or payout of, Equity Interests by management of such Person or of a Restricted Subsidiary or any Parent Company, (b) noncash compensation expense resulting from the application of Accounting Standards Codification Topic No. 718, *Compensation—Stock Compensation* or Accounting Standards Codification Topic 505-50, *Equity-Based Payments to Non-Employees*, and (c) any income (loss) attributable to deferred compensation plans or trusts;

(11) any fees, expenses or charges incurred during such period, or any amortization thereof for such period, in connection with any acquisition, Investment, Asset Sale, disposition, incurrence or repayment of Indebtedness (including such fees, expenses or charges related to the offering and issuance of the Notes and the Existing Notes and the syndication and incurrence of any Credit Facilities), issuance of Equity Interests (including by any direct or indirect parent of the Issuer), recapitalization, refinancing transaction or amendment or modification of any debt instrument (including any amendment or other modification of the Notes, the Existing Notes and other securities and any Credit Facilities) and including, in each case, any such transaction whether consummated on, after or prior to the Issue Date and any such transaction undertaken but not completed, and any charges or nonrecurring merger costs incurred during such period as a result of any such transaction, in each case whether or not successful or consummated (including, for the avoidance of doubt, the effects of expensing all transaction related expenses in accordance with Accounting Standards Codification Topic No. 805, *Business Combinations*);

(12) accruals and reserves that are established or adjusted in connection with the Transactions, an Investment or an acquisition that are required to be established or adjusted as a result of the Transactions, such Investment or such acquisition, in each case in accordance with GAAP;

(13) any expenses, charges or losses to the extent covered by insurance that are, directly or indirectly, reimbursed or reimbursable by a third party, and any expenses, charges or losses that are covered by indemnification or other reimbursement provisions in connection with any acquisition, Investment or any sale, conveyance, transfer or other disposition of assets permitted under this Indenture;

(14) any non-cash gain (loss) attributable to the mark to market movement in the valuation of Hedging Obligations or other derivative instruments pursuant to *FASB Accounting Standards Codification Topic 815—Derivatives and Hedging* or mark to market movement of other financial instruments pursuant to *FASB Accounting Standards Codification Topic 825—Financial Instruments*;

(15) any net unrealized gain or loss (after any offset) resulting in such period from currency transaction or translation gains or losses including those related to currency remeasurements of Indebtedness (including any net loss or gain resulting from (a) Hedging Obligations for currency exchange risk and (b) resulting from intercompany indebtedness) and any other foreign currency transaction or translation gains and losses, to the extent such gain or losses are non-cash items;

(16) any adjustments resulting from the application of Accounting Standards Codification Topic No. 460,*Guarantees*, or any comparable regulation;

(17) any non-cash rent expense;

(18) the amount of any management, monitoring, consulting, transaction and advisory fees and related expenses paid to the Investors (or any accruals relating to such fees and related expenses) during such period to the extent otherwise permitted by Section 4.11;

(19) any non-cash expenses, accruals or reserves related to adjustments to historical tax exposures; and

(20) earn-out and contingent consideration obligations (including to the extent accounted for as bonuses or otherwise) and adjustments thereof and purchase price adjustments.

In addition, to the extent not already included in the Consolidated Net Income of such Person and its Restricted Subsidiaries, Consolidated Net Income will include the amount of proceeds received or receivable from business interruption insurance, the amount of any expenses or charges incurred by such Person or its Restricted Subsidiaries during such period that are, directly or indirectly, reimbursed or reimbursable by a third party, and amounts that are covered by indemnification or other reimbursement provisions in connection with any acquisition, Investment or any sale, conveyance, transfer or other disposition of assets permitted under this Indenture.

Notwithstanding the foregoing, for the purpose of Section 4.07 only (other than Section 4.07(a)(iv)(C)(4)), there will be excluded from Consolidated Net Income any income arising from any sale or other disposition of Restricted Investments made by such Person and its Restricted Subsidiaries, any repurchases and redemptions of Restricted Investments from such Person and its Restricted Subsidiaries, any repayments of loans and advances which constitute Restricted Investments by such Person or any Restricted Subsidiary, any sale of the stock of an Unrestricted Subsidiary or any distribution or dividend from an Unrestricted Subsidiary, in each case only to the extent such amounts increase the amount of Restricted Payments permitted under Section 4.07(a)(iv)(C)(4).

"Consolidated Total Assets" means the total consolidated assets of the Issuer and its Restricted Subsidiaries, as shown on the most recent consolidated balance sheet of the Issuer and its Restricted Subsidiaries, determined with such *pro forma* adjustments as are appropriate and consistent with the *pro forma* adjustment provisions set forth in the definition of "Fixed Charge Coverage Ratio" or "Adjusted EBITDA".

"Consolidated Total Debt" means, as of any date of determination, the aggregate principal amount of Indebtedness of the Issuer and its Restricted Subsidiaries outstanding on such date, determined on a consolidated basis in accordance with GAAP, consisting only of Indebtedness for borrowed money, Capitalized Lease Obligations, debt obligations evidenced by bonds, notes, debentures, promissory notes or similar instruments and guarantees of Indebtedness of such types of a third Person; *provided*, Consolidated Total Debt will not includeNon-Recourse Indebtedness and Indebtedness in respect of any (i) letter of credit, except to the extent of obligations in respect of drawn standby letters of credit which have not been reimbursed within three (3) Business Days and (ii) Hedging Obligations, except any unpaid termination payments thereunder. The U.S. dollar-equivalent principal amount of any Indebtedness denominated in a foreign currency will reflect the currency translation effects, determined in accordance with GAAP, of Hedging Obligations for currency exchange risks with respect to the applicable currency in effect on the date of determination of the U.S. dollar-equivalent principal amount of such Indebtedness.

"Contingent Obligations" means, with respect to any Person, any obligation of such Person guaranteeing any leases, dividends or other obligations that do not constitute Indebtedness ("primary obligations") of any other Person (the "primary obligor") in any manner, whether directly or indirectly, including any obligation of such Person, whether or not contingent:

(1) to purchase any such primary obligation or any property constituting direct or indirect security therefor;

(2) to advance or supply funds

(a) for the purchase or payment of any such primary obligation, or

(b) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or

(3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

"Controlled Investment Affiliate" means, as to any Person, any other Person, other than any Investor, which directly or indirectly is in control of, is controlled by, or is under common control with such Person and is organized by such Person (or any Person controlling such Person) primarily for making direct or indirect equity or debt investments in the Issuer and/or other companies.

"Controlling Secured Parties" means the series of Secured Parties whose First Lien Agent is the Applicable Agent.

"Convertible Indebtedness" means Indebtedness of the Issuer (which may be guaranteed by the Guarantors) permitted to be incurred under the terms of this Indenture that is either (a) convertible into common stock of the Issuer (and cash in lieu of fractional shares) and/or cash (in an amount determined by reference to the price of such common stock) or (b) sold as units with call options, warrants or rights to purchase (or substantially equivalent derivative transactions) that are exercisable for common stock of the Issuer and/or cash (in an amount determined by reference to the price of such common stock).

"Corporate Trust Office of the Trustee" shall be at the address of the Trustee specified in Section 13.02 hereof or such other address as to which the Trustee may give notice to the Holders and the Issuer.

"Credit Facilities" means, with respect to the Issuer or any Restricted Subsidiary, one or more debt facilities, including the Senior Credit Facilities or other financing arrangements (including commercial paper facilities or indentures) providing for revolving credit loans, term loans, note issuances, letters of credit or other long-term indebtedness, including any notes, mortgages, guarantees, collateral documents, instruments and other agreements executed in connection therewith, and any amendments, supplements, modifications, extensions, renewals, restatements or refundings thereof, in whole or in part, and any indentures or credit facilities or commercial paper facilities that replace, refund, supplement, extend, renew, restate, amend, modify or refinance any part of the loans, notes, other credit facilities or commitments thereunder, including any such exchanges, replacement, refunding, supplemental, extended, renewed, restated, amended, modified or refinancing facility, arrangement or indenture that increases the amount permitted to be borrowed or issued thereunder or alters the maturity thereof (*provided*, such increase in borrowings or issuances is permitted under Section 4.09) or adds Restricted Subsidiaries as additional borrowers or guarantors thereunder and whether by the same or any other agent, trustee, lender or group of lenders or holders.

"Custodian" means the Trustee, as custodian with respect to the Notes, each in global form, or any successor entity thereto.

"Cut-Off Date" means, with respect to any Major Non-Controlling Agent, the date that is at least 180 days (throughout which 180-day period such Person was the Major Non-Controlling Agent) after the occurrence of both (i) an event of default (under and as defined in the instrument and related documents in respect of which such Major Non-Controlling Agent is appointed as the representative for the holders of the relevant series of First Lien Obligations) and (ii) each other First Lien Agent's receipt of written notice from such Major Non-Controlling Agent certifying that (x) such an event of default has occurred and is continuing and (y) the First Lien Obligations of the series with respect to which such Major Non-Controlling Agent is the representative are currently due and payable in full (whether as a result of acceleration thereof or otherwise) in accordance with the terms of the applicable instrument governing such First Lien Obligations; provided, however, that the Cut-Off Date shall be stayed and shall not occur and shall be deemed not to have occurred and shall be rescinded (1) at any time the Applicable Agent has commenced and is diligently pursuing any enforcement action with respect to any Shared Collateral or (2) at any time any Grantor that has granted a security interest in such Shared Collateral is then a debtor under or with respect to (or otherwise subject to) any insolvency or liquidation proceeding.

"Debtor Relief Laws" means the Bankruptcy Code, and all other liquidation, conservatorship, examinership, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

"Default" means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

"Definitive Note" means a certificated Note registered in the name of the Holder thereof and issued in accordance with Section 2.06(c) hereof, substantially in the form of Exhibit A attached hereto, except that such Note shall not bear the Global Note Legend and shall not have the "Schedule of Exchanges of Interests in the Global Note" attached thereto.

"Depositary" means, with respect to the Notes issuable or issued in whole or in part in global form, any Person specified in Section 2.03 hereof as the Depositary with respect to the Notes, and any and all successors thereto appointed as Depositary hereunder and having become such pursuant to the applicable provision of this Indenture.

"Designated Non-cash Consideration" means the fair market value of non-cash consideration received by the Issuer or a Restricted Subsidiary in connection with an Asset Sale that is so designated as Designated Non-cash Consideration pursuant to an Officer's Certificate, setting forth the basis of such valuation, less the amount of cash or Cash Equivalents received in connection with a subsequent sale, redemption or repurchase of, or collection or payment on, such Designated Non-cash Consideration.

"Designated Preferred Stock" means Preferred Stock of the Issuer, any Restricted Subsidiary thereof or any Parent Company (in each case other than Disqualified Stock) that is issued for cash (other than to a Restricted Subsidiary or an employee stock ownership plan or trust established by the Issuer or any of its Subsidiaries) and is so designated as Designated Preferred Stock, pursuant to an Officer's Certificate on or promptly after the issuance date thereof, the cash proceeds of which are excluded from the calculation set forth in Section 4.07(a)(iv)(C) hereof.

"Designated Revolving Commitments" means any commitments to make loans or extend credit on a revolving basis to the Issuer or any Restricted Subsidiary by any Person other than the Issuer or any Restricted Subsidiary that have been designated in an Officer's Certificate delivered to the Trustee as "Designated Revolving Commitments" until such time as the Issuer subsequently delivers an Officer's Certificate to the Trustee to the effect that such commitments will no longer constitute "Designated Revolving Commitments"; *provided,* that, during such time, such Designated Revolving Commitments will be deemed an incurrence of Indebtedness on such date and will be deemed outstanding for purposes of calculating the Fixed Charge Coverage Ratio, Total Net Leverage Ratio, First Lien Net Leverage Ratio and the availability of any baskets hereunder.

"Disqualified Stock" means, with respect to any Person, any Capital Stock of such Person which, by its terms, or by the terms of any security into which it is convertible or for which it is redeemable or exchangeable, or upon the happening of any event, matures or is mandatorily redeemable (other than solely as a result of a change of control, asset sale, casualty, condemnation or eminent domain) pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof (other than for any Qualified Equity Interests or solely as a result of a change of control, asset sale, casualty, condemnation or eminent domain), in whole or in part, in each case prior to the date 91 days after the earlier of the maturity date of

the Notes or the date the Notes are no longer outstanding; *provided*, that if such Capital Stock is issued pursuant to any plan for the benefit of future, current or former employees, directors, officers, members of management or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members or any permitted transferees thereof) of the Issuer or its Subsidiaries or any Parent Company or by any such plan to such employees, directors, officers, members of management or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members or any permitted transferees thereof), such Capital Stock will not constitute Disqualified Stock solely because it may be required to be repurchased by the Issuer or its Subsidiaries in order to satisfy applicable statutory or regulatory obligations or as a result of such employee's, director's, officer's, management member's or consultant's termination, death or disability; *provided, further*, any Capital Stock held by any future, current or former employee, director, officer, member of management or consultant (or their respective Controlled Investment Affiliates or Immediate Family Members or any permitted transferees thereof) of the Issuer, any of its Subsidiaries, any Parent Company or any other entity in which the Issuer or a Restricted Subsidiary has an Investment and is designated in good faith as an "Affiliate" by the Board of Directors (or the compensation committee thereof), in each case pursuant to any equity subscription or equity holders' agreement, management equity plan or stock option plan or any other management or employee benefit plan or agreement will not constitute Disqualified Stock solely because it may be required to be repurchased by the Issuer or its Subsidiaries or in order to satisfy applicable statutory or regulatory obligations or as a result of such employee's, director's, officer's, management member's or consultant's termination, death or disability. For the purposes hereof, the aggregate principal amount of Disqualified Stock will be deemed to be equal to the greater of its voluntary or involuntary liquidation preference and maximum fixed repurchase price, determined on a consolidated basis in accordance with GAAP, and the "maximum fixed repurchase price" of any Disqualified Stock that does not have a fixed repurchase price will be calculated in accordance with the terms of such Disqualified Stock as if such Disqualified Stock were purchased on any date on which the Consolidated Total Debt will be required to be determined pursuant hereto, and if such price is based upon, or measured by, the fair market value of such Disqualified Stock.

"Domestic Subsidiary" means any direct or indirect Subsidiary that is organized under the laws of the United States, any state thereof or the District of Columbia.

"EMU Legislation" means the legislative measures of the European Council for the introduction of, changeover to or operation of a single or unified European currency.

"Equal Priority Intercreditor Agreement" means (a) the intercreditor agreement entered into between the Bank Collateral Agent, the Notes Collateral Agent, the Issuer and the Guarantors on the Issue Date (the "Issue Date Equal Priority Intercreditor Agreement"), (b) another intercreditor agreement substantially in the form of the Issue Date Equal Priority Intercreditor Agreement among the Notes Collateral Agent and one or more debt representatives for holders of one or more classes of First Lien Obligations or (c) a customary intercreditor agreement in form and substance reasonably acceptable to the Notes Collateral Agent, the Issuer and one or more of such debt representatives, in each case with such modifications thereto as the Notes Collateral Agent, the Issuer and such debt representative(s) may agree, in each case, as amended, restated, supplemented or otherwise modified from time to time in accordance with the terms of this Indenture and thereof.

"Equity Interests" means Capital Stock and all warrants, options or other rights to acquire Capital Stock, but excluding any debt security that is convertible into, or exchangeable for, Capital Stock.

"Equity Offering" means any public or private sale of common stock or Preferred Stock of the Issuer or any Parent Company (excluding Disqualified Stock), other than:

(1) public offerings with respect to the Issuer's or any Parent Company's common stock registered on Form S-4 or Form S-8;

(2) issuances to any Restricted Subsidiary of the Issuer; and

(3) any such public or private sale that constitutes an Excluded Contribution.

"Euroclear" means Euroclear Bank S.A./N.V., as operator of the Euroclear system, and its successors.

"Euros" means the lawful currency of the Participating Member States introduced in accordance with the EMU Legislation.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder.

"Excluded Accounts" means (a) payroll and other employee wage and benefit accounts, (b) tax accounts, including sales tax accounts, (c) petty cash accounts funded in the ordinary course of business, (d) escrow, fiduciary or trust accounts, (e) designated disbursement accounts and non-U.S. bank accounts and (f) the funds or other property held in or maintained in any such account identified in clauses (a) through (e).

"Excluded Assets" means:

(1) (i) any leasehold interest (including any ground lease interest) in real property, (ii) any interest in any fee-owned real property other than any Material Real Property, (iii) any (x) vacant real property and (y) land under construction with improvements where such improvements are not open for commercial operations, and (iv) any Fixtures (as defined in the UCC) affixed to any real property (x) that is not Material Real Property or (y) to the extent a security interest in such Fixtures may not be perfected by the filing of a UCC financing statement in the jurisdiction of organization of the applicable Grantor;

(2) motor vehicles, aircraft and other assets subject to certificates of title or ownership (including aircraft, airframes, aircraft engines or helicopters, or any equipment or other assets constituting a part thereof, in each case to the extent subject to Federal Aviation Act registration requirements and rolling stock);

(3) (i) Letter-of-Credit Rights (as defined in the UCC) (other than to the extent consisting of Supporting Obligations (as defined in the UCC) that can be perfected by the filing of a UCC financing statement) and (ii) Commercial Tort Claims (as defined in the UCC) having a value of less than $7,500,000;

(4) any governmental licenses or state or local franchises, charters and authorizations (together with any rights or interests under any of the foregoing) to the extent a security interest therein is prohibited or restricted thereby (except to the extent such prohibition or restriction is ineffective under the UCC);

(5) assets to the extent the pledge thereof or grant of security interests therein (x) is prohibited or restricted by applicable law, rule or regulation; (y) solely with respect to any Intellectual Property (as defined in the UCC), would cause the destruction, invalidation or abandonment of such asset under applicable law, rule or regulation; or (z) requires any consent, approval, license or other authorization of any third party or Governmental Authority that has not been obtained;

(6) Excluded Equity Interests;

(7) any lease, license or agreement or any property or asset (including any Equipment (as defined in the UCC) or Inventory (as defined in the UCC) subject to a purchase money security interest or similar arrangement) (together with any rights or interests under any of the foregoing) to the extent that a grant of a security interest therein is prohibited by or would violate or invalidate such lease, license or agreement or purchase money or similar arrangement (or any right or interest under any of the foregoing) or create a right of termination, re-negotiation or acceleration in favor of any party thereto after giving effect to the applicable anti-assignment provisions of the UCC or other applicable Law, other than proceeds and receivables thereof, the assignment of which is expressly deemed effective under the UCC or other applicable law notwithstanding such prohibition;

(8) any asset(s) to the extent a security interest in such assets would result in adverse tax consequences as reasonably determined by the Issuer, provided that the same determination is made in respect of all other First Lien Obligations if any;

(9) any asset(s) as to which the Issuer reasonably determines that the cost or other consequence(s) of obtaining, perfecting or maintaining a security interest or pledge in such asset(s) exceed the fair market value (as determined by the Issuer in its reasonable judgment) thereof or are excessive in relation to the practical benefit to the Holders of the security to be afforded thereby, provided that the same determination is made in respect of all other First Lien Obligations if any;

(10) any assets to the extent (and only to the extent) that action would be required under the law of anynon-U.S. jurisdiction to create or perfect a security interest in such assets, including any Intellectual Property arising under the laws of, or registered or applied for in any non-U.S. jurisdiction;

(11) as extracted collateral, timber to be cut, farm products, manufactured homes, health care insurance receivables, or aircraft engines, satellites, ships or railroad rolling stock;

(12) Excluded Accounts and Excluded Intercompany Debt;

(13) any property or asset(s) securing any Existing Mortgage Debt or other property if including such property or assets in the Collateral would violate the terms of (or require a consent under) documents governing such Existing Mortgage Debt;

(14) any property or asset(s) (and any related rights and any related property or asset(s)) (i) sold or otherwise transferred in connection with a Sale and Lease-Back Transaction permitted by this Indenture or (ii) subject to any Permitted Lien and consisting of property or asset(s) (and any related rights and any related asset(s)) subject to such Sale and Lease-Back Transaction permitted by this Indenture or General Intangibles (as defined in the UCC) related thereto; and

(15) any United States intent-to-use trademark applications prior to the filing of a "Statement of Use" or "Amendment to Allege Use" with respect thereto, to the extent, if any, that, and solely during the period, if any, in which, the grant of a security interest therein would impair the validity or enforceability of any registration issuing from such intent-to-use trademark application under applicable federal law;

provided that (1) the Proceeds (as defined in the UCC) of, or in respect of, any Excluded Assets will constitute Collateral (except to the extent such Proceeds are Excluded Asset(s)) and (2) no asset shall be excluded unless it is also an "Excluded Asset" under the Senior Credit Facilities if in existence.

"Excluded Contribution" means net cash proceeds, the fair market value of marketable securities or the fair market value of Qualified Proceeds received by the Issuer from

(1) contributions to its common equity capital; and

(2) dividends, distributions, fees and other payments from any joint ventures that are not Restricted Subsidiaries; and

(3) the sale (other than to a Restricted Subsidiary of the Issuer or to any management equity plan or stock option plan or any other management or employee benefit plan or agreement of the Issuer) of Capital Stock (other than Disqualified Stock and Designated Preferred Stock) of the Issuer;

in each case, designated as Excluded Contributions pursuant to an Officer's Certificate or that are excluded from the calculation set forth in Section 4.07(a)(iv)(C).

"Excluded Equity Interests" means any and all of the following: (i) Margin Stock, (ii) Equity Interests of any Person other than (a) the Issuer, (b) any Subsidiary Guarantor or (c) any wholly owned Material Subsidiary that is directly owned by the Issuer or any Subsidiary Guarantor other than a CFC or CFC Holdco, (iii) more than 65% of the issued and outstanding voting Equity Interests of any (a) Foreign Subsidiary, (b) CFC or (c) CFC Holdco, (iv) any Equity Interests to the extent the pledge thereof would be prohibited by any law or to the extent not permitted by the terms of such Person's Organizational Documents (in each case, except to the extent that any such prohibition or restriction would be rendered ineffective under the UCC or other applicable law), (v) any Equity Interests with respect to which the Issuer has reasonably determined that the cost or other consequences (including any adverse tax consequences) of pledging, perfecting or maintaining a security interest in such Equity Interests are excessive in relation to the benefit to the Secured Parties of the security to be afforded thereby, (vi) the Equity Interests of any Subsidiary of a Foreign Subsidiary, CFC or CFC Holdco, (vii) the Equity Interests of any Unrestricted Subsidiary, special purpose vehicle (or similar entity, including any Securitization Subsidiary), Captive Insurance Subsidiary, Sale-Leaseback SPE or not-for-profit Subsidiary and (viii) any other Equity Interests that constitute Excluded Assets.

"Excluded Intercompany Debt" means intercompany Indebtedness to the extent secured by the assets of a Foreign Subsidiary.

"Excluded Proceeds" means with respect to any Asset Sale:

(1) 0% of the Net Proceeds from such Asset Sale if after giving *pro forma* effect thereto and applications of the Net Proceeds thereof, the First Lien Net Leverage Ratio of the Issuer is greater than 2.50:1.00;

(2) 50% of the Net Proceeds from such Asset Sale, if after giving *pro forma* effect thereto and the application of the Net Proceeds thereof, the First Lien Net Leverage Ratio of the Issuer is greater than 2.00:1.00, but equal to or less than 2.50:1.00; and

(3) 100% of the Net Proceeds from such Asset Sale, if after giving *pro forma* effect thereto and the application of the Net Proceeds thereof, the First Lien Net Leverage Ratio of the Issuer is less than or equal to 2.00:1.00.

"Excluded Subsidiary" means (1) any Subsidiary that is not a Wholly-Owned Subsidiary of the Issuer or a Guarantor, (2) any Foreign Subsidiary, (3) any Domestic Subsidiary that is a CFC Holdco or a Subsidiary of (i) a Foreign Subsidiary, (ii) a CFC or (iii) a CFC Holdco, (4) any Subsidiary, including any regulated entity that is subject to net worth or net capital or similar capital and surplus restrictions, that is prohibited or restricted by applicable law, accounting policies or by contractual obligation existing on the Issue Date (or, with respect to any Subsidiary acquired by the Issuer or a Restricted Subsidiary after the Issue Date (and so long as such contractual obligation was not incurred in contemplation of such acquisition), on the date such Subsidiary is so acquired) from providing a Guarantee, or if such Guarantee would require governmental (including regulatory) or third party consent, approval, license or authorization, (5) any special purpose securitization vehicle (or similar entity), including any Securitization Subsidiary, (6) any Captive Insurance Subsidiary, (7) any not-for-profit Subsidiary, (8) any Subsidiary that is not a Material Subsidiary, (9) any other Subsidiary with respect to which, in the reasonable judgment of the Issuer, the burden or cost (including any adverse tax consequences) of providing the Guarantee will outweigh the benefits to be obtained by the Holders therefrom, (10) any Securitization Subsidiary, (11) each Unrestricted Subsidiary and (12) any special purpose entity formed for the primary purpose to hold a leasehold interest in real

property that is subject to a Sale and Lease-Back Transaction, including Healthy Way of Life I, LLC, Healthy Way of Life II, LLC, Healthy Way of Life III, LLC and any successors or assigns thereof, and any such special purpose tenant entities formed in connection with any Sale and Lease-Back Transaction; *provided*, that any such Subsidiary that is an Excluded Subsidiary pursuant to clause (8) or (9) above will cease to be an Excluded Subsidiary at any time such Subsidiary guarantees Indebtedness under a Credit Facility or Capital Markets Indebtedness of the Issuer or any other Guarantor.

"Exempted Indebtedness" means, as of any particular time, all then outstanding Indebtedness of the Issuer and Principal Property Subsidiaries incurred on and after June 10, 2015 and secured by any mortgage, security interest, pledge or Lien other than those permitted pursuant to Section 4.12(b).

"Existing Mortgage Debt" means (i) the Loan Agreement dated as of January 28, 2014 between LTF Real Estate CMBS II, LLC and Wells Fargo Bank, National Association, (ii) the Promissory Note, dated as of February 12, 2013 between LTF Real Estate MP I, LLC and ING Life Insurance and Annuity Company, (iii) the Promissory Note, dated as of August 23, 2013 between LTF Real Estate MP II, LLC and ING Life Insurance and Annuity Company, and (iv) the Promissory Note, dated as of July 29, 2014 between LTF Real Estate MP III, LLC and ING Life Insurance and Annuity Company.

"Existing Notes" means the $450 million aggregate principal amount of 8.500% Senior Notes due 2023 initially issued by the Issuer pursuant to the Existing Notes Indenture.

"Existing Notes Indenture" means that certain Indenture, dated June 10, 2015, among the Issuer, Wilmington Savings Fund Society, FSB, as trustee, and certain other parties party thereto governing the Existing Notes, as supplemented by that certain Supplemental Indenture dated June 10, 2015, as further amended or supplemented from time to time.

"Existing Unrestricted Subsidiaries" means LT Co-Borrower Holdco, LLC, LT Co-Borrower, LLC, LT Canada Co-Borrower GP Inc., LT Canada Co-Borrower Holdco, LP and LT Canada Co-Borrower, LP.

"fair market value" means, with respect to any asset or liability, the fair market value of such asset or liability as determined by the Issuer in good faith.

"Financial Officer" means, with respect to a Person, the chief financial officer, accounting officer, treasurer, controller or other senior financial or accounting officer of such Person, as appropriate.

"First Lien Agent" means (i) in the case of any Obligations under the Senior Credit Facilities, the Bank Collateral Agent, (ii) in the case of any Obligations under this Indenture, the Notes Collateral Agent, and (iii) in the case of any Additional First Lien Obligations, the collateral agent, the administrative agent, trustee or other representative (as applicable) under such Additional First Lien Obligation named in the applicable joinder to the Equal Priority Intercreditor Agreement, in each case, together with its successors in such capacity.

"First Lien Debt Documents" means, with respect to any class of First Lien Obligations, the promissory notes, indentures, credit agreements, loan agreements, security agreements and other operative agreements evidencing or governing such First Lien Obligations, as the same may be amended, supplemented or otherwise modified from time to time.

"First Lien Net Leverage Ratio" means, with respect to any Test Period, the ratio of (a) Consolidated Total Debt outstanding as of the last day of such Test Period that is secured by a Lien that is pari passu in priority with the Liens securing the Notes, plus, Existing Mortgage Debt and Capitalized Lease Obligations or any Refinancing Indebtedness thereof (other than property or assets held in a defeasance or similar trust or arrangement (including escrow arrangements) solely for the benefit of the Indebtedness secured thereby), minus, the aggregate amount of cash and Cash Equivalents included in the consolidated balance sheet of the Issuer as of such date, excluding cash and Cash Equivalents that are listed as "Restricted" on such balance sheet to (b) Run-Rate Adjusted EBITDA of the Issuer for such Test Period, in each case on a pro forma basis with such pro forma adjustments as are appropriate and consistent with the pro forma adjustment provisions set forth in the definition of Fixed Charge Coverage Ratio.

"First Lien Obligations" means the Notes, the Guarantees, the Senior Credit Facilities Obligations, the Obligations under this Indenture and other Additional First Lien Obligations secured by Collateral on a pari passu basis (but without regard to control or remedies) with the Notes, provided, that in the case of any Additional First Lien Obligations incurred after the Issue Date, the applicable First Lien Agent thereof becomes a party to the Equal Priority Intercreditor Agreement.

"Fitch" means Fitch Ratings, Inc., and any successor to its rating agency business.

"Fixed Charge Coverage Ratio" means, with respect to any Test Period, the ratio of(1) Run-Rate Adjusted EBITDA of the Issuer for such Test Period to (2) the Fixed Charges of the Issuer for such Test Period. In the event that the Issuer or any Restricted Subsidiary incurs, assumes, guarantees, redeems, repays, retires or extinguishes any Indebtedness (other than Indebtedness incurred or repaid under any revolving credit facility or line of credit unless such Indebtedness has been permanently repaid and not replaced) or issues, repurchases or redeems Disqualified Stock or Preferred Stock or establishes or eliminates any Designated Revolving Commitments, in each case, subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated but prior to or simultaneously with the event for which the calculation of the Fixed Charge Coverage Ratio is made (the "Fixed Charge Coverage Ratio Calculation Date"), then the Fixed Charge Coverage Ratio will be calculated giving*pro forma* effect to such incurrence, assumption, guarantee, redemption, repayment, retirement or extinguishment of Indebtedness or such issuance, repurchase or redemption of Disqualified Stock or Preferred Stock or establishment or elimination of any Designated Revolving Commitments, as if the same had occurred at the beginning of the most recently ended Test Period (and (i) for the purposes of the numerator of the Total Net Leverage Ratio and the First Lien Net Leverage Ratio, as if the same had occurred on the last day of the most recently ended Test Period and (ii) for all purposes, as if Indebtedness in the full amount of any undrawn Designated Revolving Commitments had been incurred thereunder throughout such period); *provided*, *however*, that at the election of the Issuer, the *pro forma* calculation will not give effect to any Indebtedness incurred on such determination date pursuant to Section 4.09(b).

For purposes of making the computation referred to above, any Specified Transaction that has been made by the Issuer or any Restricted Subsidiary during any Test Period or subsequent to such Test Period and on or prior to or simultaneously with the Fixed Charge Coverage Ratio Calculation Date will be calculated on a *pro forma* basis assuming that all such Specified Transactions (and the change in any associated fixed charge obligations and the change in Run-Rate Adjusted EBITDA resulting therefrom) had occurred on the first day of the Test Period. If since the beginning of such Test Period any Person that subsequently became a Restricted Subsidiary or was merged, amalgamated or consolidated with or into the Issuer or any Restricted Subsidiary since the beginning of such Test Period will have made any Specified Transaction that would have required adjustment pursuant to this definition, then the Fixed Charge Coverage Ratio will be calculated giving *pro forma* effect thereto for such Test Period as if such Specified Transaction had occurred at the beginning of the most recently ended Test Period.

For purposes of this definition, whenever *pro forma* effect is to be given to any Specified Transaction (including the Transactions and the Refinancing Transactions), the *pro forma* calculations will be made in good faith by a Financial Officer of the Issuer and may include, for the avoidance of doubt, the amount of "run-rate" cost savings, synergies and operating expense reductions resulting from or related to any such Specified Transaction (including the Transactions) which is being given *pro forma* effect that have been realized or are expected to be realized and for which the actions necessary to realize such cost savings, operating expense reductions and synergies are taken, committed to be taken or with respect to which substantial steps have been taken or are expected to be taken no later than 24 months after the date of any such Specified Transaction (in each case as though such cost savings, operating expense reductions and synergies had been realized on the first day of the applicable period and as if such cost savings, operating expense reductions and synergies were realized for the entirety of such period). For the purposes of this Indenture, "run-rate" means the full recurring benefit for a period that is associated with any action taken, committed to be taken, or with respect to which substantial steps have been taken or are expected to be taken (including any savings expected to result from the elimination of a public target's compliance costs with public company requirements), net of the amount of actual benefits realized during such period from such actions.

If any Indebtedness bears a floating rate of interest and is being given*pro forma* effect, the interest on such Indebtedness will be calculated as if the rate in effect on the Fixed Charge Coverage Ratio Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligations applicable to such Indebtedness). Interest on a Capitalized Lease Obligation will be deemed to accrue at an interest rate reasonably determined by a Financial Officer of the Issuer to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP. Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rate, will be deemed to have been based upon the rate actually chosen, or, if none, then based upon such optional rate chosen as the Issuer may designate. For purposes of this definition, any amount in a currency other than U.S. dollars will be converted to U.S. dollars based on the average exchange rate for such currency for the most recent twelve month period immediately prior to the date of determination in a manner consistent with that used in calculating Run-Rate Adjusted EBITDA for the applicable Test Period.

"Fixed Charges" means, with respect to any Person for any period, the sum of, without duplication:

(1) Consolidated Interest Expense of such Person for such period;

(2) all cash dividends or other cash distributions paid (excluding items eliminated in consolidation) on any series of Preferred Stock during such period; and

(3) all cash dividends or other cash distributions paid (excluding items eliminated in consolidation) on any series of Disqualified Stock during such period.

"Foreign Subsidiary" means any direct or indirect Restricted Subsidiary of the Issuer that is not a Domestic Subsidiary.

"GAAP" means generally accepted accounting principles in the United States of America set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession, which are in effect from time to time. At any time after the Issue Date, (i) the Issuer may elect to fix GAAP with respect to any (or all) GAAP term(s) as of a specified date (the "New GAAP Date") and (ii) the Issuer may elect to apply IFRS accounting principles in lieu of GAAP and, upon any such election, references herein to GAAP will thereafter be construed to mean IFRS (except as otherwise provided in this Indenture); *provided*, any calculation or determination in this Indenture that requires the application of GAAP for periods that include fiscal quarters ended prior to the Issuer's election to apply GAAP as of the New GAAP Date or IFRS will remain as previously calculated or determined in accordance with GAAP before such election. The Issuer will give notice of any such election made in accordance with this definition to the Trustee and shall specify the date for when the Issuer's election will take effect and such election will apply for all periods beginning on and after the date specified in such notice given to the Trustee, and in the event the Issuer makes an election pursuant to clause (i) of the second sentence of this definition, specifying which GAAP term(s) such election applies to. For the avoidance of doubt, the Issuer may elect to apply a New GAAP Date to one or more GAAP term(s), apply GAAP in effect from time to time to one or more GAAP terms(s), keep GAAP in effect from time to time with respect to one or more GAAP term(s) or apply IFRS. Notwithstanding any other provision contained herein, the amount of any Indebtedness under GAAP with respect to Capitalized Lease Obligations and Attributable Indebtedness shall be determined in accordance with the definition of Capitalized Lease Obligations and Attributable Indebtedness, respectively.

"Global Note Legend" means the legend set forth in Section 2.06(g)(ii) hereof, which is required to be placed on all Global Notes issued under this Indenture.

"Global Notes" means, individually and collectively, each of the Restricted Global Notes and the Unrestricted Global Notes, substantially in the form of Exhibit A attached hereto, issued in accordance with Section 2.01, 2.06(b), 2.06(d) or 2.06(f) hereof.

"Government Securities" means securities that are:

(1) direct obligations of the United States of America for the timely payment of which its full faith and credit is pledged; or

(2) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the timely payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America,

that, in either case, are not callable or redeemable at the option of the issuers thereof, and will also include a depository receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act), as custodian with respect to any such Government Securities or a specific payment of principal of or interest on any such Government Securities held by such custodian for the account of the holder of such depository receipt; *provided*, (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the Government Securities or the specific payment of principal of or interest on the Government Securities evidenced by such depository receipt.

"Governmental Authority" means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"Grantor" means Holdings, the Issuer and any Subsidiary Guarantor.

"guarantee" means a guarantee (other than by endorsement of negotiable instruments for collection in the ordinary course of business or consistent with industry practice), direct or indirect, in any manner (including letters of credit and reimbursement agreements in respect thereof), of all or any part of any Indebtedness or other obligations.

"Guarantee" means the guarantee by any Guarantor of the Issuer's Obligations under this Indenture and the Notes.

"Guarantor" means, collectively, the Subsidiary Guarantors, Holdings and each other Parent Company that Guarantees the Notes in accordance with the terms of this Indenture; *provided* that upon the release or discharge of such Person from its Guarantee in accordance with this Indenture, such Person ceases to be a Guarantor.

"Hedging Obligations" means, with respect to any Person, the obligations of such Person under any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, commodity swap agreement, commodity cap agreement, commodity collar agreement, foreign exchange contract, currency swap agreement or similar agreement providing for the transfer, modification or mitigation of interest rate, currency, commodity risks or equity risks either generally or under specific contingencies. For the avoidance of doubt, any Permitted Convertible Indebtedness Call Transaction will not constitute Hedging Obligations.

"Holder" means the Person in whose name a Note is registered on the Registrar's books.

"Holdings" means LTF Intermediate Holdings, Inc.

"IFRS" means the international financial reporting standards and interpretations issued by the International Accounting Standards Board or any successor thereto (or the Financial Accounting Standards Board, the Accounting Principles Board of the American Institute of Certified Public Accountants or any successor to either such Board, or the SEC, as the case may be), as in effect from time to time.

"IAI" means an institutional "accredited investor" as described in Rule 501(a)(1), (2), (3) or (7) under the Securities Act.

"IAI Global Note" means a Global Note substantially in the form ofExhibit A attached hereto, bearing the Global Note Legend and the Private Placement Legend, numbered IAI-1 and deposited with or on behalf of, and registered in the name of, the Depositary or its nominee.

"Immediate Family Members" means with respect to any individual, such individual's child, stepchild, grandchild or more remote descendant, parent, stepparent, grandparent, spouse, former spouse, qualified domestic partner, sibling, mother-in-law, father-in-law, son-in-law and daughter-in-law (including, in each case, adoptive relationships) and any trust, partnership or other bona fide estate-planning vehicle the only beneficiaries of which are any of the foregoing individuals or any private foundation or fund that is controlled by any of the foregoing individuals or any donor-advised fund of which any such individual is the donor.

"Indebtedness" means, with respect to any Person, without duplication:

(1) any indebtedness (including principal and premium) of such Person, whether or not contingent:

(a) in respect of borrowed money;

(b) evidenced by bonds, notes, debentures or similar instruments or drawn letters of credit or bankers' acceptances (or, without duplication, reimbursement agreements in respect thereof);

(c) representing the balance deferred and unpaid of the purchase price of any property (including Capitalized Lease Obligations) due more than twelve months after such property is acquired, except (i) any such balance that constitutes an obligation in respect of a commercial letter of credit, a trade payable or similar obligation to a trade creditor, in each case accrued in the ordinary course of business or consistent with industry practice, (ii) any earn-out obligations until such obligation is reflected as a liability on the balance sheet (excluding any footnotes thereto) of such Person in accordance with GAAP and is not paid within 60 days after becoming due and payable and (iii) accruals for payroll and other liabilities accrued in the ordinary course of business; or

(d) representing the net obligations under any Hedging Obligations;

if and to the extent that any of the foregoing Indebtedness (other than Swap Contracts) would appear as a liability upon a balance sheet (excluding the footnotes thereto) of such Person prepared in accordance with GAAP; *provided*, Indebtedness of any Parent Company appearing upon the balance sheet of the Issuer solely by reason of push-down accounting under GAAP will be excluded;

(2) to the extent not otherwise included, any obligation by such Person to be liable for, or to pay, as obligor, guarantor or otherwise, on the obligations of the type referred to in clause (1) of a third Person (whether or not such items would appear upon the balance sheet of such obligor or guarantor), other than by endorsement of negotiable instruments for collection in the ordinary course of business or consistent with industry practice; and

(3) to the extent not otherwise included, the obligations of the type referred to in clause (1) of a third Person secured by a Lien on any asset owned by such first Person, whether or not such Indebtedness is assumed by such first Person; *provided*, the amount of such Indebtedness will be the lesser of (i) the fair market value of such asset at such date of determination and (ii) the amount of such Indebtedness of such other Person;

provided, notwithstanding the foregoing, Indebtedness will be deemed not to include (a) Contingent Obligations incurred in the ordinary course of business or consistent with industry practice, (b) undrawn letters of credit, other undrawn amounts under letters of credit or reimbursement obligations under commercial letters of credit (*provided*, unreimbursed amounts under letters of credit will be counted as Indebtedness three (3) Business Days after such amount is drawn), (c) obligations under or in respect of Qualified Securitization Facilities, (d) accrued expenses, trade payable or similar obligation to a trade creditor, (e) deferred or prepaid revenues, (f) asset retirement obligations and obligations in respect of reclamation and workers compensation (including pensions and retiree medical care), (g) any lease, concession or license of property (or guarantee thereof) that would be considered an operating or financing lease under GAAP as in effect on the Issue Date, (h) any prepayments of deposits received from clients or customers in the ordinary course of business or consistent with past practices, or obligations under any license, permit or other approval (or guarantees given in respect of such obligations) incurred prior to the Issue Date or in the ordinary course of business or consistent with past practices, (i) intercompany liabilities that would be eliminated on the consolidated balance sheet of the Issuer and its consolidated Subsidiaries, (j) Cash Management Services, (k) in connection with the purchase by the Issuer or any Restricted Subsidiary of any business, any post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing; provided, however, that, at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid in a timely manner, (l) obligations, to the extent such obligations would otherwise constitute Indebtedness, under any agreement that has been defeased or satisfied and discharged pursuant to the terms of such agreement, (m) any obligations in respect of workers' compensation claims, early retirement or termination obligations, deferred compensatory or employee or director equity plans, pension fund obligations or contributions or similar claims, obligations or contributions or social security or wage taxes, (n) Capital Stock (other than Disqualified Stock and Preferred Stock), (o) indebtedness that constitutes

"Indebtedness" merely by virtue of a pledge of an Investment in an Unrestricted Subsidiary, or (p) Indebtedness (and any Liens on the related escrow accounts) incurred by the Issuer or its Restricted Subsidiaries in connection with the issuance of such Indebtedness into (and pending the release from) a customary escrow arrangement of any Indebtedness incurred; *provided*, *further*, Indebtedness will be calculated without giving effect to the effects of Accounting Standards Codification Topic No. 815, *Derivatives and Hedging*, and related interpretations to the extent such effects would otherwise increase or decrease an amount of Indebtedness for any purpose under this Indenture as a result of accounting for any embedded derivatives created by the terms of such Indebtedness.

"Indenture" means this Indenture, as amended, supplemented or otherwise modified from time to time.

"Independent Assets or Operations" means, with respect to any Parent Company, that Parent Company's total assets, revenues, income from continuing operations before income taxes and cash flows from operating activities (excluding in each case amounts related to its investment in the Issuer and the Restricted Subsidiaries), determined in accordance with GAAP and as shown on the most recent balance sheet of such Parent Company, is more than 3.6% of such Parent Company's corresponding consolidated amount.

"Independent Financial Advisor" means an accounting, appraisal, investment banking firm or consultant of nationally recognized standing that is, in the good faith judgment of the Issuer, qualified to perform the task for which it has been engaged.

"Indirect Participant" means a Person who holds a beneficial interest in a Global Note through a Participant.

"Initial Purchasers" means Deutsche Bank Securities Inc., BMO Capital Markets Corp., BofA Securities, Inc., Goldman Sachs & Co. LLC, J.P. Morgan Securities LLC, KKR Capital Markets LLC, Macquarie Capital (USA) Inc., Mizuho Securities USA LLC, Morgan Stanley & Co. LLC, Nomura Securities International, Inc., RBC Capital Markets, LLC, U.S. Bancorp Investments, Inc. and Wells Fargo Securities, LLC.

"Intellectual Property Security Agreements" has the meaning specified in the Security Agreement.

"Intercreditor Agreement" means any Equal Priority Intercreditor Agreement(s) or Junior Lien Intercreditor Agreement(s) that may be executed from time to time.

"Interest Payment Date" means January 15 and July 15 of each year to stated maturity, beginning July 15, 2021.

"Investment Grade Rating" means a rating equal to or higher than Baa3 (or the equivalent) by Moody's or BBB- (or the equivalent) by S&P, or an equivalent rating from any other Rating Agency selected by the Issuer.

"Investment Grade Securities" means:

(1) securities issued or directly and fully guaranteed or insured by the United States government or any agency or instrumentality thereof (other than Cash Equivalents);

(2) debt securities or debt instruments with an Investment Grade Rating, but excluding any debt securities or debt instruments constituting loans or advances among the Issuer and its Subsidiaries;

(3) investments in any fund that invests at least 95% of its assets in investments of the type described in clauses (1) and (2) which fund may also hold immaterial amounts of cash pending investment or distribution; and

(4) corresponding instruments in countries other than the United States customarily utilized for high quality investments.

"Investments" means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of loans (including guarantees), advances or capital contributions (excluding accounts receivable, credit card and debit card receivables, trade credit, advances to customers, commission, travel and similar advances to employees, directors, officers, members of management, manufacturers and consultants, in each case made in the ordinary course of business or consistent with industry practice), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities issued by any other Person. For purposes of the definition of "Unrestricted Subsidiary" and Section 4.07:

(1) "Investments" will include the portion (proportionate to the Issuer's Equity Interest in such Subsidiary) of the fair market value of the net assets of a Subsidiary of the Issuer at the time that such Subsidiary is designated an Unrestricted Subsidiary; *provided*, upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Issuer will be deemed to continue to have a permanent "Investment" in an Unrestricted Subsidiary in an amount (if positive) equal to:

(a) the Issuer's "Investment" in such Subsidiary at the time of such redesignation;*minus*

(b) the portion (proportionate to the Issuer's Equity Interest in such Subsidiary) of the fair market value of the net assets of such Subsidiary at the time of such redesignation; and

(2) any property transferred to or from an Unrestricted Subsidiary will be valued at its fair market value at the time of such transfer.

The amount of any Investment outstanding at any time will be the original cost of such Investment, reduced by any dividend, distribution, interest payment, return of capital, repayment or other amount received in cash by the Issuer or a Restricted Subsidiary in respect of such Investment.

"Investor" means any of (i) Leonard Green & Partners, L.P. ("LGP"), (ii) TPG Capital, L.P. ("TPG"), (iii) LNK Partners, LLC, (iv) MSD Capital, L.P., (v) LifeCo LLC, (vi) Partners Group (USA) Inc. and any of their respective Affiliates and funds or partnerships managed or advised by any of them or any of their respective Affiliates but not including, however, any portfolio company of any of the foregoing.

"Issue Date" means the date of original issuance of the Notes under this Indenture.

"Issuer" means Life Time, Inc. and its successors.

"Issuer's Order" means a written request or order signed on behalf of the Issuer by an Officer, who must be the principal executive officer, the principal financial officer, the treasurer or the principal accounting officer of the Issuer, and delivered to the Trustee.

"Joint Venture Investments" means Investments in any joint venture in an aggregate amount not to exceed the greater of $120.0 million and (b) 30% of Run-Rate Adjusted EBITDA as of the applicable date of determination.

"Junior Lien Intercreditor Agreement" means (a) an intercreditor agreement substantially in the form of Exhibit F to this Indenture among the Notes Collateral Agent, one or more debt representatives for other series of First Lien Obligations, and one or more debt representatives for holders of one or more classes of applicable Indebtedness secured on a junior basis to the Notes or (b) a customary intercreditor agreement substantially similar thereto and reasonably satisfactory to the Applicable Agent and one or more of such debt representatives for holders of one or more classes of applicable Indebtedness secured on a junior basis to the Notes, in each case with such modifications thereto as the Applicable Agent, the Issuer and such debt representative(s) may agree, in each case, as amended, restated, supplemented or otherwise modified from time to time in accordance with the terms of this Indenture and thereof.

"Legal Holiday" means a Saturday, a Sunday or a day on which commercial banking institutions are not required to be open in the State of New York or at the place of payment.

"Lien" means, with respect to any asset, any mortgage, lien (statutory or otherwise), pledge, hypothecation, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction; *provided*, in no event will an operating lease be deemed to constitute a Lien.

"Management Services Agreement" means the management services agreement or similar agreements among one or more of the Investors or certain of their respective management companies associated with it or their advisors, if applicable, and the Issuer (and/or any Parent Company).

"Management Stockholders" means the members of management (and their Controlled Investment Affiliates and Immediate Family Members and any permitted transferees thereof) of the Issuer (or a Parent Company) who are holders of Equity Interests of any Parent Company on the Issue Date or from time to time.

"Margin Stock" has the meaning assigned to such term in Regulation U of the Board of Governors of the Federal Reserve System of the United States as from time to time in effect.

"Market Capitalization" means an amount equal to (i) the total number of issued and outstanding shares of common Equity Interests of the Issuer or the applicable Parent Company, as applicable, on the date of the declaration of a Restricted Payment permitted Section 4.07(b)(viii) multiplied by (ii) the arithmetic mean of the closing prices per share of such common Equity Interests on the principal securities exchange on which such common Equity Interests are traded for the 30 consecutive trading days immediately preceding the date of declaration of such Restricted Payment.

"Material Domestic Subsidiary" means, as of the Issue Date and thereafter at any date of determination, each of the Issuer's Domestic Subsidiaries that is a Restricted Subsidiary (a) whose Consolidated Total Assets at the last day of the most recent Test Period (when taken together with the Consolidated Total Assets of the Restricted Subsidiaries of such Domestic Subsidiary at the last day of the most recent Test Period) were equal to or greater than 5.0% of Consolidated Total Assets of the Issuer and the Restricted Subsidiaries that are Domestic Subsidiaries at such date or (b) whose gross revenues for such Test Period (when taken together with the gross revenues of the Restricted Subsidiaries of such Domestic Subsidiary for such Test Period) were equal to or greater than 5.0% of the consolidated gross revenues of the Issuer and the Restricted Subsidiaries that are Domestic Subsidiaries for such Test Period, in each case determined in accordance with GAAP; *provided* that if at any time and from time to time after the date which is 30 days after the Issue Date (or such longer period as the Bank Collateral Agent may agree in its sole discretion), Domestic Subsidiaries that are not Guarantors solely because they do not meet the thresholds set forth in the preceding clause (a) or (b) comprise in the aggregate more than (when taken together with the Consolidated Total Assets of the Restricted Subsidiaries of such Domestic Subsidiaries at the last day of the most recent Test Period) 7.5% of Consolidated Total Assets of the Issuer and the Restricted Subsidiaries that are Domestic Subsidiaries as of the end of the most recently ended Test Period or more than (when taken together with the gross revenues of the Restricted Subsidiaries of such Domestic Subsidiaries for such Test Period) 7.5% of the consolidated gross revenues of the Issuer and the Restricted Subsidiaries that are Domestic Subsidiaries for such Test Period, then the Issuer shall, not later than sixty (60) days after the date by which financial statements for such Test Period were required to be delivered pursuant to this Indenture (or such longer period as the Bank Collateral Agent may agree in its reasonable discretion), (i) designate in writing to the Notes Collateral Agent one or more of such Domestic Subsidiaries that are Restricted Subsidiaries as "Material Domestic Subsidiaries" to the extent required such that the foregoing condition ceases to be true and (ii) comply with the provisions of Section 4.15 with respect to any such Subsidiaries. At all times prior to the delivery of the aforementioned financial statements, such determinations shall be made based on internally available financial statements.

"Material Foreign Subsidiary" means, as of the Issue Date and thereafter at any date of determination, each of the Issuer's Foreign Subsidiaries that are Restricted Subsidiaries (a) whose Consolidated Total Assets at the last day of the most recent Test Period (when taken together with the Consolidated Total Assets of the Restricted Subsidiaries of such Foreign Subsidiary at the last day of the most recent Test Period) were equal to or greater than 5.0% of Consolidated Total Assets of the Restricted Subsidiaries that are Foreign Subsidiaries at such

date or (b) whose gross revenues for such Test Period (when taken together with the revenues of the Restricted Subsidiaries of such Foreign Subsidiary for such Test Period) were equal to or greater than 5.0% of the consolidated gross revenues of the Restricted Subsidiaries that are Foreign Subsidiaries for such Test Period, in each case determined in accordance with GAAP; *provided* that if at any time and from time to time after the date which is 30 days after the Issue Date (or such longer period as the Bank Collateral Agent may agree in its sole discretion), Foreign Subsidiaries that are not Material Foreign Subsidiaries comprise in the aggregate more than (when taken together with the Consolidated Total Assets of the Restricted Subsidiaries of such Foreign Subsidiaries at the last day of the most recent Test Period) 7.5% of Consolidated Total Assets of the Restricted Subsidiaries that are Foreign Subsidiaries as of the end of the most recently ended Test Period or more than (when taken together with the gross revenues of the Restricted Subsidiaries of such Foreign Subsidiaries for such Test Period) 7.5% of the consolidated gross revenues of the Restricted Subsidiaries that are Foreign Subsidiaries for such Test Period, then the Issuer shall, not later than sixty (60) days after the date by which financial statements for such Test Period were required to be delivered pursuant to this Indenture (or such longer period as the Bank Collateral Agent may agree in its reasonable discretion), designate in writing to the Notes Collateral Agent one or more of such Foreign Subsidiaries that are Restricted Subsidiaries as "Material Foreign Subsidiaries" to the extent required such that the foregoing condition ceases to be true. At all times prior to the delivery of the aforementioned financial statements, such determinations shall be made based on internally available financial statements.

"Material Real Property" means (i) any fee-owned real property located in the United States and owned by the Issuer or any Guarantor which is mortgaged under the Senior Credit Facilities as of the Issue Date and (ii) any fee-owned real property located in the United States and subsequently acquired by the Issuer or any Guarantor (or owned by an acquired or newly created Guarantor, if applicable) after the Issue Date with a fair market value in excess of $7.5 million at the time of acquisition (if acquired by the Issuer or any Guarantor after the Issue Date) and which is improved with a facility owned by the Issuer or any Guarantor that is open for commercial operations; *provided* that for the avoidance of doubt, Material Real Property will not include any Excluded Assets.

"Material Subsidiary" means any Material Domestic Subsidiary or any Material Foreign Subsidiary.

"Moody's" means Moody's Investors Service, Inc. and any successor to its rating agency business.

"Mortgage Collateral Agency Agreement" means the Mortgage Collateral Agency Agreement dated as of the date hereof entered into by the Bank Collateral Agent, the Notes Collateral Agent, the Mortgage Collateral Agent, Holdings, the Issuer and certain subsidiaries of the Issuer, as amended, restated, supplemented or otherwise modified from time to time.

"Mortgage Collateral Agent" means with respect to any Material Real Property, a single collateral agent appointed by the Notes Collateral Agent and the Bank Collateral Agent (and any additional debt representative for any Additional First Lien Obligations, as applicable) to hold the Mortgage for all First Lien Obligations.

"Mortgages" means collectively, the deeds of trust, trust deeds, hypothecs, deeds to secure debt and mortgages made by the Issuer and the Guarantors, in form and substance substantially similar to the deeds of trust, trust deeds, hypothecs, deeds to secure debt and mortgages delivered to the Bank Collateral Agent under the Senior Credit Facilities, including such modifications as may be required by local laws, pursuant to the Collateral and Guarantee Requirement and any other deeds of trust, trust deeds, hypothecs, deeds to secure debt or mortgages executed and delivered pursuant to the Collateral and Guarantee Requirement.

"Mortgaged Properties" means any Material Real Property with respect to which a Mortgage is required under Section 10.09.

"Net Income" means, with respect to any Person, the net income (loss) of such Person, determined in accordance with GAAP and before any reduction in respect of Preferred Stock dividends.

"Net Proceeds" means the aggregate Cash Equivalent proceeds received by the Issuer or any Restricted Subsidiary in respect of any Asset Sale, including any Cash Equivalents received upon the sale or other disposition of any Designated Non-cash Consideration received in any Asset Sale, net of the costs relating to such Asset Sale and the sale or disposition of such Designated Non-cash Consideration, including legal, accounting and investment banking fees, payments made in order to obtain a necessary consent or required by applicable law, brokerage and sales commissions, all dividends, distributions or other payments required to be made to minority interest holders in Restricted Subsidiaries as a result of any such Asset Sale by a Restricted Subsidiary, the amount of any purchase price or similar adjustment claimed by any Person to be owed by the Issuer or any Restricted Subsidiary, until such time as such claim will have been settled or otherwise finally resolved, or paid or payable by the Issuer or any Restricted Subsidiary, in either case in respect of such Asset Sale, any relocation expenses incurred as a result thereof, costs and expenses in connection with unwinding any Hedging Obligation in connection therewith, other fees and expenses, including title and recordation expenses, taxes paid or payable as a result thereof or any transactions occurring or deemed to occur to effectuate a payment under this Indenture, amounts required to be applied to the repayment of principal, premium, if any, and interest on Indebtedness (other than Subordinated Indebtedness) or amounts required to be applied to the repayments of Indebtedness secured by a Lien on such assets and required (other than required by Section 4.10(c)(i)) to be paid as a result of such transaction and any deduction of appropriate amounts to be provided by the Issuer or any Restricted Subsidiary as a reserve in accordance with GAAP against any liabilities associated with the asset disposed of in such transaction and retained by the Issuer or any Restricted Subsidiary after such sale or other disposition thereof, including pension and other post-employment benefit liabilities and liabilities related to environmental matters or against any indemnification obligations associated with such transaction; *provided* that (a) subject to clause (b) below, no net cash proceeds calculated in accordance with the foregoing realized in a single transaction or series of related transactions shall constitute Net Proceeds unless such net cash proceeds shall exceed $10.0 million and (b) no such net cash proceeds shall constitute Net Proceeds under this definition in any fiscal year until the aggregate amount of all such net cash proceeds in such fiscal year shall exceed $20.0 million (and thereafter only net cash proceeds in excess of such amount shall constitute Net Proceeds under this clause (1)); *provided further* that "Net Proceeds" shall not include, or apply to, the proceeds of the sale component of any Sale-Lease Back Transaction.

"New Facility" means each new fitness center, club, work or exercise facility opened by the Issuer or a Restricted Subsidiary that has been open for commercial operations for less than two full calendar years.

"New Facility EBITDA Adjustment" means for each New Facility, only to the extent it is a positive number

(1) the product of (a) Average Return on Invested Capital and (b) to the extent it is a positive number the aggregate amount of capital expenditures invested in such New Facility as of the facility opening date, less the net cash proceeds received for such New Facility from any Sale and Lease-Back Transaction prior to or on such determination date, *minus*

(2) the actual Adjusted EBITDA of such New Facility for such period.

"Non-Recourse Indebtedness" means Indebtedness that is non-recourse to the Issuer and the Restricted Subsidiaries.

"Non-U.S. Person" means a Person who is not a U.S. Person.

"Notes" has the meaning assigned to it in the recitals to this Indenture. The Initial Notes and the Additional Notes shall be treated as a single class for all purposes under this Indenture, and unless the context otherwise requires, all references to the Notes shall include the Initial Notes and any Additional Notes.

"Notes Collateral Agent" has the meaning set forth in the preamble hereto.

"Notes Security Documents" means, collectively, the Security Agreement, the Intellectual Property Security Agreements, the Mortgages (if any), each of the collateral assignments, security agreements, pledge agreements or other similar agreements delivered to the Notes Collateral Agent (or a Mortgage Collateral Agent, if applicable) pursuant to Section 10.02 and each of the other agreements, instruments or documents that creates or purports to create a Lien in favor of the Notes Collateral Agent (or a Mortgage Collateral Agent, if applicable) on behalf of itself, the Trustee and the Holders of the Notes to secure the Notes and the Guarantees, in each case, as amended, modified, renewed, restated, supplemented or replaced, in whole or in part, from time to time, in accordance with its terms and the provisions described in Section 10.02.

"Obligations" means any principal, interest (including any interest accruing on or subsequent to the filing of a petition in bankruptcy, reorganization or similar proceeding at the rate provided for in the documentation with respect thereto, whether or not such interest is an allowed claim under applicable state, federal or foreign law), premium, penalties, fees, indemnifications, reimbursements (including reimbursement obligations with respect to letters of credit and banker's acceptances), damages and other liabilities, and guarantees of payment of such principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities, payable under the documentation governing any Indebtedness.

"Offering Memorandum" means the confidential offering memorandum, dated January 14, 2021, relating to the sale of the Initial Notes.

"Officer" means the Chairman of the Board of Directors, the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer, the President, any Executive Vice President, Senior Vice President or Vice President, the Treasurer or the Secretary of any Person. Unless otherwise indicated, Officer shall refer to an Officer of the Issuer.

"Officer's Certificate" means a certificate signed on behalf of a Person by an Officer of such Person that meets the requirements set forth in this Indenture and provided to the Trustee. Unless otherwise indicated, Officer shall refer to an Officer of the Issuer.

"Opinion of Counsel" means a written opinion from legal counsel which is acceptable to the Trustee. Counsel may be an employee of or counsel to the Issuer.

"ordinary course of business" means activity conducted in the ordinary course of business of the Issuer and any Restricted Subsidiary, including without limitation the expansion, remodeling, acquisition, modernization, construction, improvement and repair of facilities (including fitness centers) operated, or expected to be operated, by the Issuer or a Restricted Subsidiary, and financing transactions in connection therewith (including Sale and Lease-Back Transactions).

"Organizational Documents" means

(i) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction);

(ii) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction); and

(iii) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction).

"Parent Company" means any Person so long as such Person directly or indirectly holds 100.0% of the total voting power of the Capital Stock of the Issuer, and at the time such Person acquired such voting power, no Person and no group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act or any successor provision), including any such group acting for the purpose of acquiring, holding or disposing of securities (within the meaning of Rule 13d-5(b)(1) under the Exchange Act) (other than any Permitted Holder), will have beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act, or any successor provision), directly or indirectly, of 50.0% or more of the total voting power of the Voting Stock of such Person.

"Participant" means, with respect to the Depositary, a Person who has an account with the Depositary (and, with respect to DTC, shall include Euroclear and Clearstream).

"Participating Member State" means each state so described in any EMU Legislation.

"Permitted Asset Swap" means the substantially concurrent purchase and sale or exchange of Related Business Assets or a combination of Related Business Assets and cash or Cash Equivalents between the Issuer or any Restricted Subsidiary and another Person; *provided*, any cash or Cash Equivalents received must be applied in accordance with Section 4.10.

"Permitted Bond Hedge Transaction" means any call or capped call option (or substantively equivalent derivative transaction) on the Issuer's common stock purchased by the Issuer in connection with the issuance of any Convertible Indebtedness; *provided* that the purchase price for such Permitted Bond Hedge Transaction, *less* the proceeds received by the Issuer from the sale of any related Permitted Warrant Transaction, does not exceed the net proceeds received by the Issuer from the sale of such Convertible Indebtedness issued in connection with the Permitted Bond Hedge Transaction.

"Permitted Convertible Indebtedness Call Transaction" means any Permitted Bond Hedge Transaction and any Permitted Warrant Transaction.

"Permitted Holder" means (1) any of the Investors, Co-Investors and Management Stockholders, (2) any Person that has no material assets other than the Capital Stock of the Issuer, any Parent Company and other Permitted Holders and, directly or indirectly, holds or acquires 100% of the total voting power of the Issuer, and of which no other Person or group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, or any successor provision), other than any of the other Permitted Holders, holds more than 50% of the total voting power of the Issuer, and any New Parent and its Subsidiaries, (3) any Person acting in the capacity of an underwriter (solely to the extent that and for so long as such Person is acting in such capacity) in connection with a public or private offering of Capital Stock of the Issuer or any Permitted Parent (clauses (1) through (3), collectively, the "Permitted Persons"), and (4) any group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act) of which any of the foregoing are members; *provided*, in the case of such group and without giving effect to the existence of such group or any other group, the Permitted Persons, collectively, have beneficial ownership of more than 50.0% of the total voting power of the Issuer or any Permitted Parent. Any Person or group, together with its Affiliates, whose acquisition of beneficial ownership constitutes a Change of Control in respect of which any required Change of Control Offer or Alternate Offer is made in accordance with the requirements of this Indenture (or would have required a Change of Control Offer or Alternate Offer in the absence of the waiver of such requirement by Holders in accordance with the provisions of this Indenture), will thereafter, together with its Affiliates, constitute an additional Permitted Holder.

"Permitted Incremental Amount" means the sum of,

(1) the greater of (a) $400,000,000 and (b) the Issuer's Run-Rate Adjusted EBITDA for the most recently ended Test Period;

(2) $68,000,000;

(3) an amount that would not result in, with respect to Indebtedness secured on a pari passu basis with the Notes (or, at the election of the Issuer, Indebtedness secured on a junior basis to the Notes or unsecured), the Issuer's First Lien Net Leverage Ratio exceeding 4.00:1.00;

(4) an amount that would not result in, with respect to Indebtedness secured on a junior basis to the Notes (or, at the election of the Issuer, unsecured), the Issuer's Total Net Leverage Ratio exceeding 5.10 to 1.00; and

(5) an amount that would not result in, with respect to Indebtedness that is unsecured, the Issuer's (i) Total Net Leverage Ratio exceeding 5.10 to 1.00 or (ii) Fixed Charge Coverage Ratio being less than 2.00 to 1.00;

in each case, determined as of the most recently ended Test Period (or in the case of Indebtedness under Designated Revolving Commitments, on the date such Designated Revolving Commitments are established after giving *pro forma* effect to the incurrence of the entire committed amount of the Indebtedness thereunder, in which case such committed amount under such Designated Revolving Commitments may thereafter be borrowed and reborrowed, in whole or in part, from time to time, without further compliance with this sentence) and on a *pro forma* basis, including a *pro forma* application of the net proceeds therefrom, as if the additional Indebtedness incurred pursuant to clause (3), (4) or (5) had been incurred and the application of the proceeds therefrom has occurred at the beginning of such Test Period (it being understood that solely for the purpose of calculating (x) the First Lien Net Leverage Ratio in connection with calculating the Permitted Incremental Amount under clause (3) of this definition, any outstanding Indebtedness Incurred under such clause (3) that is (i) secured on a junior basis to the Notes or (ii) unsecured will nevertheless be deemed to be secured on a pari passu basis with the Notes or (y) the Total Net Leverage Ratio in connection with calculating the Permitted Incremental Amount under clause (4) of this definition, any outstanding Indebtedness Incurred under such clause (4) that is unsecured will nevertheless be deemed to be secured by a Lien). For the avoidance of doubt, (a) if the Issuer incurs Indebtedness pursuant to clause (1) or (2) above on the same date that it incurs Indebtedness pursuant to clause (3), (4) or (5) above, then the First Lien Net Leverage Ratio, the Total Net Leverage Ratio or the Fixed Charge Coverage Ratio, as applicable, will be calculated without regard to any incurrence of Indebtedness pursuant to clause (1) or (2) above.

"Permitted Investments" means:

(1) any Investment in the Issuer or any Restricted Subsidiary (including guarantees of obligations of its Restricted Subsidiaries);

(2) any Investment in Cash Equivalents or Investment Grade Securities and Investments that were Cash Equivalents or Investment Grade Securities when made;

(3) any Investment by the Issuer or any Restricted Subsidiary in a Person that is engaged (directly or through entities that will be Restricted Subsidiaries) in a Similar Business if as a result of such Investment:

(a) such Person becomes a Restricted Subsidiary; or

(b) such Person, in one transaction or a series of related transactions, is amalgamated, merged or consolidated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Issuer or a Restricted Subsidiary,

and, in each case, any Investment held by such Person; *provided*, such Investment was not acquired by such Person in contemplation of such acquisition, merger, amalgamation, consolidation, transfer or conveyance;

(4) any Investment in securities or other assets not constituting Cash Equivalents or Investment Grade Securities and received in connection with an Asset Sale made pursuant to the provisions described under Section 4.10 or any other disposition of assets not constituting an Asset Sale;

(5) any Investment existing on the Issue Date or any Investment made pursuant to binding commitments in effect on the Issue Date or an Investment consisting of any extension, modification, replacement, renewal or reinvestment of any Investment or binding commitment existing on the Issue Date; *provided*, the amount of any such Investment or binding commitment may be increased, extended, modified, replaced, reinvested or renewed, (a) as required by the terms of such Investment or binding commitment as in existence on the Issue Date (including as a result of the accrual or accretion of interest or original issue discount or the issuance of pay-in-kind securities) or (b) as otherwise permitted under this Indenture;

(6) any Investment acquired by the Issuer or any Restricted Subsidiary:

(a) in exchange for any other Investment, accounts receivable or indorsements for collection or deposit held by the Issuer or any Restricted Subsidiary in connection with or as a result of a bankruptcy, workout, reorganization or recapitalization of, or settlement of delinquent accounts and disputes with or judgments against, the issuer of such other Investment or accounts receivable (including any trade creditor or customer);

(b) in satisfaction of judgments against other Persons;

(c) as a result of a foreclosure by the Issuer or any Restricted Subsidiary with respect to any secured Investment or other transfer of title with respect to any secured Investment in default; or

(d) as a result of the settlement, compromise or resolution of (i) litigation, arbitration or other disputes or (ii) obligations of trade creditors or customers that were incurred in the ordinary course of business or consistent with industry practice of the Issuer or any Restricted Subsidiary, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer.

(7) Hedging Obligations permitted under Section 4.09(b)(x);

(8) any Investment in a Similar Business taken together with all other Investments made pursuant to this clause (8) that are at that time outstanding, not to exceed the greater of (a) $120.0 million and (b) 30% of Run-Rate Adjusted EBITDA of the Issuer for the most recently ended Test Period on the date of such Investment (with the amount of each Investment being measured at the time made and without giving effect to subsequent changes in value, but subject to adjustment as set forth in the definition of Investment); *provided, however*, if any Investment pursuant to this clause (8) is made in any Person that is not a Restricted Subsidiary of the Issuer at the date of the making of such Investment and such Person becomes a Restricted Subsidiary after such date, such Investment will thereafter be deemed to have been made pursuant to clause (1) above and will cease to have been made pursuant to this clause (8) for so long as such Person continues to be a Restricted Subsidiary;

(9) Investments the payment for which consists of Equity Interests (other than Disqualified Stock) of the Issuer or any Parent Company; *provided*, such Equity Interests will not increase the amount available for Restricted Payments under Section 4.07(a)(iv)(C);

(10) guarantees of Indebtedness permitted under Section 4.09, performance guarantees and Contingent Obligations incurred in the ordinary course of business or consistent with industry practice and the creation of Liens on the assets of the Issuer or any Restricted Subsidiary in compliance with Section 4.12;

(11) any transaction to the extent it constitutes an Investment that is permitted by and made in accordance with the provisions of Section 4.11(b) (except transactions described in clauses (ii), (v), (ix), (xv) and (xxii) of such Section);

(12) Investments consisting of purchases and acquisitions of inventory, supplies, material, services or equipment or similar assets or the licensing or contribution of intellectual property pursuant to joint marketing arrangements with other Persons;

(13) Investments having an aggregate fair market value, taken together with all other Investments made pursuant to this clause (13) that are at that time outstanding (without giving effect to the sale of an Unrestricted Subsidiary to the extent the proceeds of such sale do not consist of Cash Equivalents or marketable securities), not to exceed the greater of (a) $120.0 million and (b) 30% of Run-Rate Adjusted EBITDA of the Issuer for the most recently ended Test Period on the date of such Investment (with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value, but subject to adjustment as set forth in the definition of "Investments"); *provided*, *however*, if any Investment pursuant to this clause (13) is made in any Person that is not a Restricted Subsidiary of the Issuer at the date of the making of such Investment and such Person becomes a Restricted Subsidiary after such date, such Investment will thereafter be deemed to have been made pursuant to clause (1) above and will cease to have been made pursuant to this clause (13) for so long as such Person continues to be a Restricted Subsidiary;

(14) Investments in or relating to a Securitization Subsidiary that, in the good faith determination of the Issuer, are necessary or advisable to effect any Qualified Securitization Facility (including distributions or payments of Securitization Fees) or any repurchase obligation in connection therewith (including the contribution or lending of Cash Equivalents to Subsidiaries to finance the purchase of such assets from the Issuer or any Restricted Subsidiary or to otherwise fund required reserves);

(15) loans and advances to, or guarantees of Indebtedness of, officers, directors, employees, consultants and members of management not in excess of $10.0 million outstanding at any one time, in the aggregate;

(16) loans and advances to employees, directors, officers, members of management and consultants for business-related travel expenses, moving expenses, payroll advances and other similar expenses or payroll expenses, in each case incurred in the ordinary course of business or consistent with past practice or consistent with industry practice or to future, present and former employees, directors, officers, members of management and consultants (and their Controlled Investment Affiliates and Immediate Family Members) to fund such Person's purchase of Equity Interests of the Issuer or any Parent Company;

(17) advances, loans or extensions of trade credit or prepayments to suppliers or loans or advances made to distributors, in each case, in the ordinary course of business or consistent with past practice or consistent with industry practice by the Issuer or any Restricted Subsidiary;

(18) any Investment in any Subsidiary or any joint venture in connection with intercompany cash management arrangements or related activities arising in the ordinary course of business or consistent with industry practice;

(19) Investments consisting of purchases and acquisitions of assets or services in the ordinary course of business or consistent with industry practice;

(20) Investments made in the ordinary course of business or consistent with industry practice in connection with obtaining, maintaining or renewing client contacts and loans or advances made to distributors;

(21) Investments in prepaid expenses, negotiable instruments held for collection and lease, utility and workers compensation, performance and similar deposits entered into as a result of the operations of the business in the ordinary course of business or consistent with industry practice;

(22) the purchase or other acquisition of any Indebtedness of the Issuer or any Restricted Subsidiary to the extent otherwise permitted hereunder;

(23) Investments in Unrestricted Subsidiaries having an aggregate fair market value, taken together with all other Permitted Investments made pursuant to this clause (23) that are at the time outstanding, without giving effect to the sale of an Unrestricted Subsidiary to the extent the proceeds of such sale do not consist of, or have not been subsequently sold or transferred for, Cash Equivalents or marketable securities, not to exceed the greater of (a) $90.0 million and (b) 20% of Run-Rate Adjusted EBITDA of the Issuer for the most recently ended Test Period on the date of such Investment (with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value, but subject to adjustment as set forth in the definition of "Investments"); *provided*, *however*, if any Investment pursuant to this clause (23) is made in any Person that is an Unrestricted Subsidiary of the Issuer at the date of the making of such Investment and such Person becomes a Restricted Subsidiary after such date, such Investment will thereafter be deemed to have been made pursuant to clause (1) above and will cease to have been made pursuant to this clause (23) for so long as such Person continues to be a Restricted Subsidiary;

(24) Investments in the ordinary course of business or consistent with industry practice consisting of Uniform Commercial Code Article 3 endorsements for collection or deposit and Article 4 customary trade arrangements with customers;

(25) any Investment by any Captive Insurance Subsidiary in connection with its provision of insurance to the Issuer or any of its Subsidiaries, which Investment is made in the ordinary course of business or consistent with industry practice of such Captive Insurance Subsidiary, or by reason of applicable law, rule, regulation or order, or that is required or approved by any regulatory authority having jurisdiction over such Captive Insurance Subsidiary or its business, as applicable;

(26) Investments made as part of, to effect or resulting from, the Transactions;

(27) Investments of assets relating to non-qualified deferred payment plans in the ordinary course of business or consistent with industry practice;

(28) intercompany current liabilities owed to Unrestricted Subsidiaries or joint ventures incurred in the ordinary course of business or consistent with industry practice in connection with the cash management operations of the Issuer and its Subsidiaries;

(29) acquisitions of obligations of one or more directors, officers or other employees or consultants or independent contractors of any Parent Company, the Issuer or any Subsidiary of the Issuer in connection with such director's, officer's, employee's, consultant's or independent contractor's acquisition of Equity Interests of the Issuer or any direct or indirect parent of the Issuer, to the extent no cash is actually advanced by the Issuer or any Restricted Subsidiary to such directors, officers, employees, consultants or independent contractors in connection with the acquisition of any such obligations;

(30) Investments constituting promissory notes or other non-cash proceeds of dispositions of assets to the extent permitted by Section 4.10;

(31) Investments resulting from pledges and deposits permitted pursuant to the definition of "Permitted Liens";

(32) loans and advances to any direct or indirect parent of the Issuer in lieu of and not in excess of the amount of (after giving effect to any other loans, advances or Restricted Payments in respect thereof) Restricted Payments to the extent permitted to be made in cash to such parent in accordance with Section 4.07 at such time, such Investment being treated for purposes of the applicable clause of Section 4.07, including any limitations, as if a Restricted Payment were made pursuant to such applicable clause;

(33) any other Investments if on a *pro forma* basis after giving effect to such Investment, the First Lien Net Leverage Ratio would be equal to or less than 2.75:1.00;

(34) Permitted Bond Hedge Transactions;

(35) Joint Venture Investments plus an amount equal to any returns (including dividends, interest, distributions, returns of principal, profits on sale, repayments, income and similar amounts) actually received in respect of any such Investment made pursuant to this clause (35); *provided, however*, if any Investment pursuant to this clause (35) is made in any Person at the date of the making of such Investment and such Person becomes a Restricted Subsidiary after such date, such Investment will thereafter be deemed to have been made pursuant to clause (1) above and will cease to have been made pursuant to this clause (35) for so long as such Person continues to be a Restricted Subsidiary; and

(36) Investments in connection with any Permitted Reorganization and the transactions relating thereto or contemplated thereby.

For purposes of determining compliance with this definition, (A) an Investment need not be incurred solely by reference to one category of Permitted Investments described in this definition but is permitted to be incurred in part under any combination thereof and of any other available exemption (including the covenant described under Section 4.07) and (B) in the event that an Investment (or any portion thereof) meets the criteria of one or more of the categories of Permitted Investments or any other available exemption (including the covenant described under Section 4.07), the Issuer will, in its sole discretion, classify or reclassify such Investment (or any portion thereof) in any manner that complies with this definition and any other available exemption (including the covenant described under Section 4.07).

"Permitted Liens" means, with respect to any Person:

(1) Liens, pledges or deposits by such Person (A) made in connection with workmen's compensation laws, unemployment insurance, health, disability or employee benefits, other social security laws or similar legislation or regulations, (B) insurance-related obligations (including, but not limited to, in respect of deductibles, self-insured retention amounts and premiums and adjustments thereto) securing reimbursement or indemnification obligations of (including obligations in respect of letters of credit, bank guarantees or similar instruments for the benefit of) insurance carriers providing property,

casualty or liability insurance, or otherwise supporting the payment of items set forth in the foregoing clause (A), or (C) bids, tenders, contracts, statutory obligations, surety, indemnity, warranty, release, appeal or similar bonds, or with regard to other regulatory requirements, completion guarantees, stay, customs and appeal bonds, performance bonds, bankers' acceptance facilities, and other obligations of like nature (including those to secure health, safety and environmental obligations) (other than for the payment of Indebtedness) or leases to which such Person is a party, or deposits to secure public or statutory obligations of such Person or deposits of cash or U.S. government bonds to secure surety or appeal bonds to which such Person is a party, or deposits as security for the payment of rent, contested taxes or import duties and obligations in respect of letters of credit, bank guarantees or similar instruments that have been posted to support the same, in each case incurred in the ordinary course of business or consistent with industry practice;

(2) Liens imposed by law, such as landlords', carriers', warehousemen's, materialmen's, repairmen's, construction and mechanics' Liens and other similar Liens and (i) for sums not yet overdue for a period of more than 60 days or, if more than 60 days overdue, are unfiled and no other action has been taken to enforce such Liens or (ii) being contested in good faith by appropriate actions or other Liens arising out of or securing judgments or awards against such Person with respect to which such Person will then be proceeding with an appeal or other proceedings for review if such Liens are adequately bonded or adequate reserves with respect thereto are maintained on the books of such Person in accordance with GAAP;

(3) Liens for taxes, assessments or other governmental charges not yet overdue for a period of more than 30 days or not yet payable or not subject to penalties for nonpayment or which are being contested in good faith by appropriate actions if adequate reserves with respect thereto are maintained on the books of such Person in accordance with GAAP;

(4) Liens in favor of issuers of performance, surety, bid, indemnity, warranty, release, appeal or similar bonds, instruments or obligations or with respect to regulatory requirements or letters of credit or bankers' acceptance issued, and completion guarantees provided for, in each case, issued pursuant to the request of and for the account of such Person in the ordinary course of its business or consistent with past practice or industry practice;

(5) survey exceptions, encumbrances, ground leases, easements, restrictions, protrusions, encroachments or reservations of, or rights of others for, licenses, rights-of-way, servitudes, sewers, electric lines, drains, telegraph, telephone and cable television lines and other similar purposes, or zoning, building codes or other restrictions (including minor defects or irregularities in title and similar encumbrances) as to the use of real properties or Liens incidental to the conduct of the business of such Person or to the ownership of its properties that were not incurred in connection with Indebtedness and that do not in the aggregate materially impair their use in the operation of the business of such Person and exceptions on title policies insuring Liens granted on Mortgaged Properties (as defined in the Senior Credit Facilities);

(6) Liens securing obligations in respect of Indebtedness, Disqualified Stock or Preferred Stock permitted to be incurred pursuant to clause (iv), (vi), (xii), (xiii), (xv), (xxiii), (xxv) and (xxxii) of Section 4.09(b); *provided*, (a) Liens securing obligations relating to any Indebtedness, Disqualified Stock or Preferred Stock permitted to be incurred pursuant to clause (xiii) of Section 4.09(b) relate only to obligations relating to Refinancing Indebtedness that is secured by Liens on the same assets as the assets securing the Refinanced Debt (as defined in the definition of Refinancing Indebtedness), plus improvements, accessions, proceeds or dividends or distributions in respect thereof and after-acquired property, or serves to refund, refinance, extend, replace, renew or defease Indebtedness, Disqualified Stock or Preferred Stock incurred under clause (iv), (xii) or (xiii) of Section 4.09(b), (b) Liens securing obligations relating to Indebtedness permitted to be incurred pursuant to clause (xxiii) of Section 4.09(b) extend only to the assets of Subsidiaries that are not Guarantors and (c) Liens securing obligations in respect of Indebtedness, Disqualified Stock or Preferred Stock permitted to be incurred pursuant to clause (iv) of Section 4.09(b) extend only to the assets so purchased, replaced, leased or improved and proceeds and products thereof; *provided*, *further*, that individual financings of assets provided by a counterparty may be cross-collateralized to other financings of assets provided by such counterparty;

(7) Liens existing, or provided for under binding contracts existing, on the Issue Date;

(8) Liens on property or Equity Interests or other assets of a Person at the time such Person becomes a Subsidiary; *provided*, such Liens are not created or incurred in connection with, or in contemplation of, such other Person becoming such a Subsidiary; *provided*, *further*, such Liens are limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof and after-acquired property) that secured the obligations to which such Liens relate;

(9) Liens on property or other assets at the time the Issuer or a Restricted Subsidiary acquired the property or such other assets, including any acquisition by means of a merger, amalgamation or consolidation with or into the Issuer or any Restricted Subsidiary; *provided*, such Liens are not created or incurred in connection with, or in contemplation of, such acquisition, amalgamation, merger or consolidation; *provided*, *further*, such Liens are limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof and after acquired-property) that secured the obligations to which such Liens relate;

(10) Liens securing obligations in respect of Indebtedness or other obligations of a Restricted Subsidiary owing to the Issuer or another Restricted Subsidiary permitted to be incurred in accordance with Section 4.09;

(11) Liens securing (x) Hedging Obligations and (y) obligations in respect of Cash Management Services;

(12) Liens on specific items of inventory or other goods and proceeds of any Person securing such Person's accounts payable or similar obligations in respect of bankers' acceptances or letters of credit issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(13) leases, subleases, licenses or sublicenses (or other agreement under which the Issuer or any Restricted Subsidiary has granted rights to end users to access and use the Issuer's or any Restricted Subsidiary's facilities, products, technologies or services) that do not materially interfere with the business of the Issuer and its Restricted Subsidiaries, taken as a whole, and the customary rights reserved or vested in any Person by the terms of any lease, sublease, license, sublicense, grant or permit, or to require annual or periodic payments as a condition to the continuance thereof;

(14) Liens arising from Uniform Commercial Code (or equivalent statutes) financing statement filings regarding operating leases, consignments or accounts entered into by the Issuer and its Restricted Subsidiaries in the ordinary course of business or consistent with industry practice or purported Liens evidenced by the filing of precautionary Uniform Commercial Code (or equivalent statutes) financing statements or similar public filings;

(15) Liens in favor of the Issuer or any Guarantor;

(16) Liens on equipment or vehicles of the Issuer or any Restricted Subsidiary granted in the ordinary course of business or consistent with industry practice;

(17) Liens on accounts receivable, Securitization Assets and related assets incurred in connection with a Qualified Securitization Facility;

(18) Liens to secure any modification, refinancing, refunding, extension, renewal or replacement (or successive modification, refinancing, refunding, extensions, renewals or replacements) as a whole, or in part, of any Indebtedness, Disqualified Stock or Preferred Stock secured by any Lien referred to in clauses (6), (7), (8), (9) or (41) of this definition; *provided*, (a) such new Lien will be limited to all or part of the same property (*plus* improvements, accessions, proceeds or dividends or distributions in respect thereof and after-acquired property) that secured the original Lien (plus improvements and accessions on such property) and proceeds and products thereof, and (b) the Indebtedness, Disqualified Stock or Preferred Stock secured by such Lien at such time is not increased to any amount greater than the sum of (i) the outstanding principal amount or, if greater, committed amount of the Indebtedness described under clauses (6), (7), (8), (9) or (41) at the time the original Lien became a Permitted Lien under this Indenture, *plus* (ii) an amount necessary to pay any fees and expenses (including original issue discount, upfront fees, defeasance costs, underwriting discounts or similar fees) and premiums (including tender premiums and accrued and unpaid interest), related to such refinancing, refunding, extension, renewal or replacement;

(19) deposits made or other security provided to secure liability to insurance brokers, carriers, underwriters or self-insurance arrangements, including Liens or insurance policies and the proceeds thereof securing the financing of the premiums with respect thereto;

(20) other Liens securing obligations in an aggregate principal amount at any one time outstanding not to exceed the greater of (a) $120.0 million and (b) 30% of Run-Rate Adjusted EBITDA of the Issuer for the most recently ended Test Period on the date of such incurrence;

(21) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(22) (i) the prior rights of consignees and their lenders under consignment arrangements entered into in the ordinary course of business or consistent with industry practice, (ii) Liens arising out of conditional sale, title retention or similar arrangements for the sale of goods in the ordinary course of business or consistent with industry practice and (iii) Liens arising by operation of law under Article 2 of the Uniform Commercial Code;

(23) Liens securing judgments for the payment of money not constituting an Event of Default under Section 6.01(e);

(24) Liens (a) of a collection bank arising under Section 4-208 or 4-210 of the Uniform Commercial Code on items in the course of collection, (b) attaching to commodity trading accounts or other brokerage accounts incurred in the ordinary course of business or consistent with industry practice, and (c) in favor of banking or other institutions or other electronic payment service providers arising as a matter of law or under general terms and conditions encumbering deposits or margin deposits or other funds maintained with such institution (including the right of set-off) and which are within the general parameters customary in the banking industry;

(25) Liens deemed to exist in connection with Investments in repurchase agreements permitted under this Indenture; *provided* that such Liens do not extend to assets other than those that are subject to such repurchase agreements;

(26) Liens that are contractual rights of set-off (a) relating to the establishment of depository relations with banks or other deposit-taking financial institutions or other electronic payment service providers and not given in connection with the issuance of Indebtedness, (b) relating to pooled deposit or sweep accounts to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business or consistent with industry practice of the Issuer and its Restricted Subsidiaries or (c) relating to purchase orders and other agreements entered into with customers of the Issuer or any Restricted Subsidiary in the ordinary course of business or consistent with industry practice;

(27) Liens on cash proceeds (as defined in Article 9 of the Uniform Commercial Code) of assets sold that were subject to a Lien permitted hereunder);

(28) any encumbrance or restriction (including put, call arrangements, tag, drag, right of first refusal and similar rights) with respect to Capital Stock of any joint venture or similar arrangement pursuant to any joint venture or similar agreement;

(29) Liens (a) on cash advances or cash earnest money deposits in favor of the seller of any property to be acquired in an Investment permitted under this Indenture to be applied against the purchase price for such Investment and (b) consisting of a letter of intent or an agreement to sell, transfer, lease or otherwise dispose of any property in a transaction not prohibited under Section 4.10, in each case, solely to the extent such Investment or sale, disposition, transfer or lease, as the case may be, would have been permitted on the date of the creation of such Lien;

(30) ground leases, subleases, licenses or sublicenses in respect of real property on which facilities owned or leased by the Issuer or any of its Subsidiaries are located;

(31) Liens in connection with a Sale and Lease-Back Transaction;

(32) Liens on Capital Stock or other securities of an Unrestricted Subsidiary;

(33) any interest or title of a lessor, sublessor, licensor or sublicensor or secured by a lessor's, sublessor's, licensor's or sublicensor's interest under leases or licenses entered into by the Issuer or any of the Restricted Subsidiaries in the ordinary course of business or consistent with industry practice;

(34) deposits of cash with the owner or lessor of premises leased and operated by the Issuer or any of its Subsidiaries in the ordinary course of business or consistent with industry practice of the Issuer and such Subsidiary to secure the performance of the Issuer's or such Subsidiary's obligations under the terms of the lease for such premises;

(35) rights of set-off, banker's liens, netting arrangements and other Liens arising by operation of law or by the terms of documents of banks or other financial institutions in relation to the maintenance of administration of deposit accounts, securities accounts, cash management arrangements or in connection with the issuance of letters of credit, bank guarantees or other similar instruments;

(36) Liens on cash and Permitted Investments used to satisfy or discharge Indebtedness;*provided*, such satisfaction or discharge is permitted under this Indenture;

(37) receipt of progress payments and advances from customers in the ordinary course of business or consistent with industry practice to the extent the same creates a Lien on the related inventory and proceeds thereof;

(38) agreements to subordinate any interest of the Issuer or any Restricted Subsidiary in any accounts receivable or other proceeds arising from inventory consigned by the Issuer or any Restricted Subsidiary pursuant to an agreement entered into in the ordinary course of business or consistent with industry practice;

(39) [Reserved];

(40) [Reserved];

(41) Liens securing Existing Mortgage Debt and Liens arising pursuant to Section 107(l) of the Comprehensive Environmental Response, Compensation and Liability Act or similar provision of any environmental law;

(42) Liens disclosed by the title insurance policies delivered (i) on or prior to the Issue Date pursuant to the Senior Credit Facilities or (ii) in connection with the Mortgages and, in each case, any replacement, extension or renewal of any such Lien (to the extent the Indebtedness and other obligations secured by such replacement, extension or renewal Liens are permitted by this Indenture); *provided* that such replacement, extension or renewal Liens do not cover any property other than the property that was subject to such Liens prior to such replacement, extension or renewal;

(43) rights reserved or vested in any Person by the terms of any lease, license, franchise, grant or permit held by the Issuer or any of its Restricted Subsidiaries or by a statutory provision, to terminate any such lease, license, franchise, grant or permit, or to require annual or periodic payments as a condition to the continuance thereof;

(44) restrictive covenants affecting the use to which real property may be put; *provided* that the covenants are complied with;

(45) security given to a public utility or any municipality or Governmental Authority when required by such utility or authority in connection with the operations of that Person in the ordinary course of business or consistent with industry practice;

(46) zoning by-laws and other land use restrictions, including, without limitation, site plan agreements, development agreements and contract zoning agreements;

(47) Liens on fee-owned or ground leased real property that is not Material Real Property; and

(48) Liens on cash proceeds of Indebtedness (and on the related escrow accounts) in connection with the issuance of such Indebtedness into (and pending the release from) a customary escrow arrangement of any Indebtedness incurred pursuant to Section 4.09 and, in each case, any refinancing thereof.

For purposes of determining compliance with this definition, (A) a Lien need not be incurred solely by reference to one category of Permitted Liens described in this definition but is permitted to be incurred in part under any combination thereof and of any other available exemption (including the covenant described under Section 4.12) and (B) in the event that a Lien (or any portion thereof) meets the criteria of one or more of the categories of Permitted Liens or any other available exemption (including the covenant described under Section 4.12), the Issuer will, in its sole discretion, be entitled to divide, classify or reclassify, in whole or in part, any such Lien (or any portion thereof) among one or more such categories or clauses in any manner that complies with this definition or any other available exemption (including the covenant described under Section 4.12).

If any Liens securing obligations are incurred to refinance Liens securing obligations initially incurred in reliance on a basket measured by reference to a percentage of Run-Rate Adjusted EBITDA, and such refinancing would cause the percentage ofRun-Rate Adjusted EBITDA to be exceeded if calculated based on the Run-Rate Adjusted EBITDA on the date of such refinancing, such percentage ofRun-Rate Adjusted EBITDA will not be deemed to be exceeded to the extent the principal amount of such obligations secured by such newly incurred Lien does not exceed the principal amount of such obligations secured by such Liens being refinanced, plus the related costs incurred or payable in connection with such refinancing and if any Liens securing obligations are incurred to refinance Liens securing obligations initially incurred in reliance on a basket measured by a fixed dollar amount, such fixed dollar basket will be deemed to be exceeded to the extent the principal amount of such obligations secured by such Liens being refinanced, plus the related costs incurred or payable in connection with such refinancing.

For purposes of this definition, the term "Indebtedness" will be deemed to include interest on such Indebtedness.

"Permitted Parent" means any direct or indirect parent of the Issuer that at the time it became a parent of the Issuer was a Permitted Holder pursuant to clause (1) of the definition thereof.

"Permitted Reorganization" means any transaction (a) undertaken to effect a corporate reorganization (or similar transaction or event) for operational or efficiency purposes or (b) related to tax planning or tax reorganization, in each case, as determined in good faith by the Issuer and entered into after the Issue Date; provided that, (i) no Event of Default is continuing immediately prior to such transaction and immediately after giving effect thereto and (ii) such transaction will not materially adversely affect the Issuer's ability to make anticipated principal or interest payments on the Notes as and when they become due (as determined in good faith by the Issuer).

"Permitted Warrant Transaction" means any call option, warrant or right to purchase (or substantively equivalent derivative transaction) on the Issuer's or a Parent Company's common stock sold by the Issuer or a Parent Company substantially concurrently with any purchase by the Issuer of a related Permitted Bond Hedge Transaction.

"Person" means any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

"Pledged Collateral" means Collateral consisting of any and all of the following: (i) Equity Interests of each direct, wholly owned Material Domestic Subsidiary (other than any CFC Holdco) that is directly held by the Issuer and the Subsidiary Guarantors and (ii) any promissory note(s), Tangible Chattel Paper (as defined in the UCC) and Instrument(s) (as defined in the UCC) evidencing Indebtedness for borrowed money in an aggregate principal amount in excess of $10,000,000 (individually) owed by Holdings, the Issuer or any Restricted Subsidiary to the Issuer or any Guarantor and not subject to an intercompany subordination agreement. Notwithstanding the foregoing, "Pledged Collateral" does not (and will not) include any Excluded Asset(s).

"Preferred Stock" means any Equity Interest with preferential rights of payment of dividends or upon liquidation, dissolution, or winding up.

"Principal Property Subsidiary" means any Subsidiary that owns, operates or leases one or more Restricted Properties.

"Private Placement Legend" means the legend set forth in Section 2.06(g)(i) hereof to be placed on all Notes issued under this Indenture, except where otherwise permitted by the provisions of this Indenture.

"Public Company Costs" means the initial costs relating to establishing compliance with the Sarbanes-Oxley Act of 2002, as amended, and other expenses arising out of or incidental to the Issuer's or its Restricted Subsidiaries' initial establishment of compliance with the obligations of a reporting company, including costs, fees and expenses (including legal, accounting and other professional fees) relating to compliance with provisions of the Securities Act and the Exchange Act.

"Purchase Money Obligations" means any Indebtedness incurred to finance or refinance the acquisition, leasing, construction or improvement of property (real or personal) or assets (other than Capital Stock), and whether acquired through the direct acquisition of such property or assets, or otherwise.

"QIB" means a "qualified institutional buyer" as defined in Rule 144A.

"Qualified Equity Interests" means any Equity Interests that are not Disqualified Stock.

"Qualified Proceeds" means the fair market value of assets that are used or useful in, or Capital Stock of any Person engaged in, a Similar Business.

"Qualified Securitization Facility" means any Securitization Facility (1) constituting a securitization financing facility that meets the following conditions: (a) the Board of Directors will have determined in good faith that such Securitization Facility (including financing terms, covenants, termination events and other provisions) is in the aggregate economically fair and reasonable to the Issuer and the applicable Restricted Subsidiary or Securitization Subsidiary and (b) all sales and/or contributions of Securitization Assets and related assets to the applicable Person or Securitization Subsidiary are made at fair market value (as determined in good faith by the Issuer) or (2) constituting a receivables financing facility.

"Rating Agencies" means Fitch, Moody's and S&P or if Fitch, Moody's or S&P or if none are making a rating on the Notes publicly available, a nationally recognized statistical rating agency or agencies, as the case may be, selected by the Issuer which will be substituted for Fitch, Moody's or S&P or all, as the case may be.

"Record Date" for the interest payable on any applicable Interest Payment Date means the January 1 and July 1 (whether or not a Business Day) immediately preceding such Interest Payment Date.

"Refinancing Indebtedness" means (x) Indebtedness incurred by the Issuer or any Restricted Subsidiary, (y) Disqualified Stock issued by the Issuer or any Restricted Subsidiary or (z) Preferred Stock issued by any Restricted Subsidiary which, in each case, serves to extend, replace, refund, refinance, renew or defease any Indebtedness, Disqualified Stock or Preferred Stock, including Refinancing Indebtedness, so long as:

(1) (a) the principal amount (or accreted value, if applicable) of such new Indebtedness, the amount of such new Preferred Stock or the liquidation preference of such new Disqualified Stock does not exceed the principal amount of (or accreted value, if applicable), *plus* (b) any accrued and unpaid interest on the Indebtedness, the amount of, any accrued and unpaid dividends on the Preferred Stock or the liquidation preference of, plus any accrued and unpaid dividends on, the Disqualified Stock being so extended, replaced, refunded, refinanced, renewed or defeased (such Indebtedness, Disqualified Stock or Preferred Stock, the "Refinanced Debt"), *plus* (c) the amount of any tender premium or penalty or premium required to be paid under the terms of the instrument or documents governing such Refinanced Debt and any defeasance costs and any fees and expenses (including original issue discount, upfront fees or similar fees) incurred in connection with the issuance of such new Indebtedness, Preferred Stock or Disqualified Stock or the extension, replacement, refunding, refinancing, renewal or defeasance of such Refinanced Debt (such amounts in clause (b) and (c), the "Incremental Amounts");

(2) such Refinancing Indebtedness has a Weighted Average Life to Maturity at the time such Refinancing Indebtedness is incurred that is not less than the remaining Weighted Average Life to Maturity of the Indebtedness, Disqualified Stock or Preferred Stock being extended, replaced, refunded, refinanced, renewed or defeased (or, if earlier, the date that is 91 days after the maturity date of the Notes);

(3) in the case of revolving Indebtedness, such Refinancing Indebtedness has a final scheduled maturity date equal to or later than the final scheduled maturity date of the Indebtedness, Preferred Stock or Disqualified Stock being so extended, replaced, refunded, refinanced, renewed or defeased (or, if earlier, the date that is 91 days after the maturity date of the Notes); and

(4) to the extent such Refinancing Indebtedness extends, replaces, refunds, refinances, renews or defeases (i) Subordinated Indebtedness (other than Subordinated Indebtedness assumed or acquired in an acquisition and not created in contemplation thereof), such Refinancing Indebtedness is subordinated to the Notes or the Guarantee thereof at least to the same extent as the Indebtedness being extended, replaced, refunded, refinanced, renewed or defeased or (ii) Disqualified Stock or Preferred Stock, such Refinancing Indebtedness must be Disqualified Stock or Preferred Stock, respectively.

Refinancing Indebtedness will not include:

(a) Indebtedness, Disqualified Stock or Preferred Stock of a Subsidiary of the Issuer that is not a Guarantor that refinances Indebtedness or Disqualified Stock of the Issuer;

(b) Indebtedness, Disqualified Stock or Preferred Stock of a Subsidiary of the Issuer that is not a Guarantor that refinances Indebtedness, Disqualified Stock or Preferred Stock of a Guarantor; or

(c) Indebtedness or Disqualified Stock of the Issuer or Indebtedness, Disqualified Stock or Preferred Stock of a Restricted Subsidiary that refinances Indebtedness, Disqualified Stock or Preferred Stock of an Unrestricted Subsidiary;

and, *provided*, *further*, (x) clauses (2) and (3) of this definition will not apply to any extension, replacement, refunding, refinancing, renewal or defeasance of any Indebtedness other than Indebtedness incurred under clause (ii) of Section 4.09(b), any Subordinated Indebtedness (other than Subordinated Indebtedness assumed or acquired in an Investment or acquisition and not created in contemplation thereof), Disqualified Stock and Preferred Stock and (y) Refinancing Indebtedness may be incurred in the form of a customary "bridge" or other interim credit facility intended to be refinanced or replaced with long-term indebtedness which does not satisfy the requirements of clauses (2) and (3) above so long as, subject to customary conditions, as determined in good faith by the Issuer, such "bridge" or other interim indebtedness will either be automatically converted into or required to be exchanged for permanent financing which satisfies the requirements of clauses (2) and (3) of this definition.

"Refinancing Transactions" means the transactions described under "Summary—The Refinancing Transactions" in the Offering Memorandum.

"Regulation S" means Regulation S promulgated under the Securities Act.

"Regulation S Global Note" means a Regulation S Temporary Global Note or Regulation S Permanent Global Note, as applicable.

"Regulation S Permanent Global Note" means a permanent Global Note in the form of Exhibit A attached hereto, bearing the Global Note Legend and the Private Placement Legend and deposited with or on behalf of, and registered in the name of, the Depositary or its nominee, issued in a denomination equal to the outstanding principal amount of the Regulation S Temporary Global Note upon expiration of the applicable Restricted Period.

"Regulation S Temporary Global Note" means a temporary Global Note in the form of Exhibit A attached hereto, bearing the Global Note Legend, the Private Placement Legend and the Regulation S Temporary Global Note Legend and deposited with or on behalf of, and registered in the name of, the Depositary or its nominee, issued in a denomination equal to the outstanding principal amount of the Notes initially sold in reliance on Rule 903.

"Regulation S Temporary Global Note Legend" means the legend set forth in Section 2.06(g)(iii) hereof.

"Related Business Assets" means assets (other than Cash Equivalents) used or useful in a Similar Business;*provided*, any assets received by the Issuer or a Restricted Subsidiary in exchange for assets transferred by the Issuer or a Restricted Subsidiary will not be deemed to be Related Business Assets if they consist of securities of a Person, unless upon receipt of the securities of such Person, such Person is or would become a Restricted Subsidiary.

"Responsible Officer" means, when used with respect to the Trustee, any officer within the corporate trust department of the Trustee, including any director, vice president, assistant vice president, any trust officer or assistant trust officer or any other officer of the Trustee who customarily performs functions similar to those performed by the Persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of such Person's knowledge of and familiarity with the particular subject and who shall have direct responsibility for the administration of this Indenture.

"Restricted Definitive Note" means a Definitive Note bearing, or that is required to bear, the Private Placement Legend.

"Restricted Global Note" means a Global Note bearing, or that is required to bear, the Private Placement Legend.

"Restricted Investment" means an Investment other than a Permitted Investment.

"Restricted Period" means, in respect of any Note issued pursuant to Regulation S, the40-day distribution compliance period as defined in Regulation S applicable to such Note.

"Restricted Property" means (a) any fitness center, club or exercise facility, or portion thereof, owned or leased by the Issuer or any Subsidiary and located within the continental United States, with a gross book value in excess of 5% of Consolidated Total Assets, or (b) any shares of Capital Stock of any Subsidiary owning any such facility. Wherever the term "Restricted Subsidiary" is used herein with respect to any Subsidiary of a referenced Person that is not the Issuer, then it will be construed to mean a Person that would be a Restricted Subsidiary of the Issuer on a *pro forma* basis following consummation of one or a series of related transactions involving such referenced Person and the Issuer (but for which transactions may include a designation of a Subsidiary of such Person as an Unrestricted Subsidiary on a *pro forma* basis in accordance with this Indenture).

"Restricted Subsidiary" means, at any time, any direct or indirect Subsidiary of the Issuer (including any Foreign Subsidiary) that is not then an Unrestricted Subsidiary; *provided*, that notwithstanding the foregoing, in no event will (i) any Securitization Subsidiary, (ii) any special purpose vehicle that borrows mortgage debt secured by fitness centers or exercise facilities and has no other activities, or (iii) any special purpose vehicle that incurs construction or permanent financing secured by Life Time Work or Life Time Living facilities, in each case of clauses (i) through (iii), will be considered a Restricted Subsidiary for purposes of Section 6.01(d) and (e); *provided further*, upon the occurrence of an Unrestricted Subsidiary ceasing to be an Unrestricted Subsidiary, such Subsidiary will be included in the definition of "Restricted Subsidiary." Wherever the term "Restricted Subsidiary" is used herein with respect to any Subsidiary of a referenced Person that is not the Issuer, then it will be construed to mean a Person that would be a Restricted Subsidiary of the Issuer on a *pro forma* basis following consummation of one or a series of related transactions involving such referenced Person and the Issuer (but for which transactions may include a designation of a Subsidiary of such Person as an Unrestricted Subsidiary on a *pro forma* basis in accordance with this Indenture).

"Rule 144" means Rule 144 promulgated under the Securities Act.

"Rule 144A" means Rule 144A promulgated under the Securities Act.

"Rule 903" means Rule 903 promulgated under the Securities Act.

"Rule 904" means Rule 904 promulgated under the Securities Act.

"Run-Rate Adjusted EBITDA" means, with respect to any Person for any period, the Adjusted EBITDA of such Person and its Restricted Subsidiaries for such period increased by the Total New Facility Run-Rate Adjustment.

"S&P" means S&P Global Ratings, and any successor to its rating agency business.

"Sale and Lease-Back Transaction" means any arrangement providing for the leasing by the Issuer or any Restricted Subsidiary of any real or tangible personal property, which property has been or is to be sold or transferred by the Issuer or such Restricted Subsidiary to a third Person in contemplation of such leasing. The net proceeds of any Sale and Lease-Back Transaction will be determined giving effect to transaction expenses and the tax effect of such transactions (including taxes paid or payable and tax attributes used as a result of such transactions).

"Sale-Leaseback SPE" means any special purpose entity formed for the primary purpose to hold a leasehold interest in real property that is subject to a Sale and Lease-Back Transaction that and has no other activities other than those incidental to holding such leasehold interest, including Healthy Way of Life I, LLC, Healthy Way of Life II, LLC, Healthy Way of Life III, LLC and any successors or assigns thereof, and any such special purpose tenant entities formed in connection with any Specified Sale-Leaseback Transactions.

"SEC" means the U.S. Securities and Exchange Commission.

"Secured Indebtedness" means any Indebtedness of the Issuer or any Restricted Subsidiary secured by a Lien.

"Secured Parties" means lenders or holders of First Lien Obligations, the representatives with respect thereto and the successors and assigns of each of the foregoing.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.

"Securitization Assets" means (a) the accounts receivable, royalty or other revenue streams and other rights to payment and other assets related thereto subject to a Qualified Securitization Facility and the proceeds thereof and (b) contract rights, lockbox accounts and records with respect to such accounts receivable and any other assets customarily transferred together with accounts receivable in a securitization financing.

"Securitization Facility" means any transaction or series of securitization financings that may be entered into by the Issuer or any Restricted Subsidiary pursuant to which the Issuer or any such Restricted Subsidiary may sell, convey or otherwise transfer, or may grant a security interest in, Securitization Assets to either (a) a Person that is not the Issuer or a Restricted Subsidiary or (b) a Securitization Subsidiary that in turn sells such Securitization Assets to a Person that is not the Issuer or a Restricted Subsidiary, or may grant a security interest in, any Securitization Assets of the Issuer or any of its Subsidiaries.

"Securitization Fees" means distributions or payments made directly or by means of discounts with respect to any participation interest issued or sold in connection with, and other fees and expenses (including reasonable fees and expenses of legal counsel) paid to a Person that is not a Securitization Subsidiary in connection with, any Qualified Securitization Facility.

"Securitization Subsidiary" means any Subsidiary formed for the purpose of, and that solely engages only in one or more Qualified Securitization Facilities and other activities reasonably related thereto.

"Security Agreement" means the Pledge and Security Agreement, dated as of the Issue Date, among the Issuer, the Guarantors and the Notes Collateral Agent, together with supplements or joinder executed and delivered pursuant to the Collateral and Guarantee Requirement.

"Security Documents" means each agreement, instrument or other document entered into in favor of any First Lien Agent or any other Secured Parties (or a Mortgage Collateral Agent, if applicable), for purposes of securing any First Lien Obligations.

"Senior Credit Facilities" means, collectively, the senior secured term loan facility and the senior secured revolving facility under that certain credit agreement (the "Senior Credit Agreement"), dated June 10, 2015, by and among the Issuer, Deutsche Bank AG New York Branch, as the administrative agent, and the lenders and other entities party thereto, including any guarantees, collateral documents, instruments and agreements executed in connection therewith, and any amendments, supplements, modifications, extensions, renewals, restatements, refundings, refinancings or replacements thereof and any one or more indentures or credit facilities or commercial paper facilities with banks or other institutional lenders, or investors, whether or not secured, that replace, refund, supplement or refinance any part of the loans, notes, other credit facilities or commitments thereunder, including any such replacement, refunding or refinancing facility or indenture that increases the amount borrowable thereunder or alters the maturity thereof (*provided*, such increase in borrowings is permitted under Section 4.09) or adds Restricted Subsidiaries as additional borrowers or guarantors thereunder and whether by the same or any other agent, trustee, lender or group of lenders or holders.

"Senior Credit Facilities Obligations" means the "Obligations" as such term is defined in the Senior Credit Agreement on the Issue Date.

"Senior Credit Facility Termination Date" means the date on which (a) payment in full in cash of the principal of and interest (including interest accruing during the pendency of any insolvency or liquidation proceeding, regardless of whether allowed or allowable in such insolvency or liquidation proceeding) and premium, if any, on all Indebtedness outstanding under the Senior Credit Facilities, (b) payment in full of all other Senior Credit Facilities Obligations that are due and payable or otherwise accrued and owing at or prior to the time such principal and interest are paid in connection with the Senior Credit Facilities, (c) cancellation of or the entry into arrangements satisfactory to the Bank Collateral Agent with respect to all letters of credit issued and outstanding under the Senior Credit Facilities, if any, and (d) termination or expiration of all commitments to lend and all obligations to issue or extend letters of credit under the Senior Credit Facilities have occurred.

"Senior Indebtedness" means:

(1) all Indebtedness of the Issuer or any Guarantor outstanding under the Senior Credit Facilities, the Existing Notes and the related guarantees and the Notes and related Guarantees (including interest accruing on or after the filing of any petition in bankruptcy or similar proceeding or for reorganization of the Issuer or any Guarantor (at the rate provided for in the documentation with respect thereto, regardless of whether or not a claim for post-filing interest is allowed in such proceedings)), and any and all other fees, expense reimbursement obligations, indemnification amounts, penalties, and other amounts (whether existing on the Issue Date or thereafter created or incurred) and all obligations of the Issuer or any Guarantor to reimburse any bank or other Person in respect of amounts paid under letters of credit, acceptances or other similar instruments;

(2) all (a) Hedging Obligations (and guarantees thereof) and (b) obligations in respect of Cash Management Services (and guarantees thereof) owing to a lender under the Senior Credit Facilities or any Affiliate of such lender (or any Person that was a lender or an Affiliate of such lender at the time the applicable agreement giving rise to such Hedging Obligation was entered into); *provided*, such Hedging Obligations and obligations in respect of Cash Management Services, as the case may be, are permitted to be incurred under the terms of this Indenture;

(3) any other Indebtedness of the Issuer or any Guarantor permitted to be incurred under the terms of this Indenture, unless the instrument under which such Indebtedness is incurred expressly provides that it is subordinated in right of payment to the Notes or any related Guarantee; and

(4) all Obligations with respect to the items listed in the preceding clauses (1), (2) and (3);

provided, Senior Indebtedness will not include:

(a) any obligation of such Person to the Issuer or any of its Subsidiaries;

(b) any liability for federal, state, local or other taxes owed or owing by such Person;

(c) any accounts payable or other liability to trade creditors arising in the ordinary course of business or consistent with industry practice;

(d) any Indebtedness or other Obligation of such Person which is subordinate or junior in any respect to any other Indebtedness or other Obligation of such Person; or

(e) that portion of any Indebtedness which at the time of incurrence is incurred in violation of this Indenture.

"Shared Collateral" means, at any time, Collateral in which the holders of two or more series of First Lien Obligations (or their respective First Lien Agents or a Mortgage Collateral Agent, if applicable) hold a valid and perfected security interest at such time. If more than two series of First Lien Obligations are outstanding at any time and the holders of fewer than all series of First Lien Obligations hold a valid and perfected security interest in any Collateral at such time, then such Collateral, cash or other assets, as applicable, shall constitute Shared Collateral for those series of First Lien Obligations that hold a valid and perfected security interest in such Collateral at such time, and shall not constitute Shared Collateral for any series that does not have a valid and perfected security interest in such Collateral at such time. The proceeds of any title insurance issued in connection with any mortgages on such Shared Collateral shall be deemed to be Shared Collateral whether or not each First Lien Agent is a beneficiary of such title insurance policies.

"Significant Subsidiary" means any Restricted Subsidiary that would be a "significant subsidiary" as defined in Article 1, Rule 1-02 of Regulation S-X of the SEC, as such regulation is in effect on the Issue Date; *provided*, that notwithstanding the foregoing, in no event will (i) any Securitization Subsidiary, (ii) any special purpose vehicle that borrows mortgage debt secured by fitness centers or exercise facilities and has no other activities or (iii) any special purpose vehicle that incurs construction or permanent financing secured by Life Time Work or Life Time Living facilities, in each case of clauses (i) through (iii), be considered a Significant Subsidiary for purposes of clause (d) or (e) of Section 6.01.

"Similar Business" means (1) any business conducted or proposed to be conducted by the Issuer or any Restricted Subsidiary on the Issue Date or (2) any business or other activities that are reasonably similar, ancillary, incidental, complementary or related to (including non-core incidental businesses acquired in connection with any Permitted Investment), or a reasonable extension, development or expansion of, the businesses in which the Issuer and its Restricted Subsidiaries conduct or propose to conduct on the Issue Date.

"Specified Businesses" means the business units designated by the Issuer as Events, ChronoTrack and MyHealthCheck.

"Specified Sale-Leaseback Transaction" means one or more Sale and Lease-Back Transactions with respect to all or any portion of any real property owned by the Issuer or any Restricted Subsidiary on or after the Issue Date.

"Specified Transaction" means (i) solely for the purposes of determining the applicable cash balance, any contribution of capital, including as a result of an Equity Offering, to the Issuer, in each case, in connection with an acquisition or Investment, (ii) any designation of operations or assets of the Issuer or a Restricted Subsidiary as discontinued operations (as defined under GAAP), (iii) any Investment that results in a Person becoming a Restricted Subsidiary, (iv) any designation of a Subsidiary as a Restricted Subsidiary or an Unrestricted Subsidiary in compliance with this Indenture, (v) any purchase or other acquisition of a business of any Person, of assets constituting a business unit, line of business or division of any Person, (vi) any Asset Sale (a) that results in a Restricted Subsidiary ceasing to be a Subsidiary of the Issuer or (b) of a business, business unit, line of business or division of the Issuer or a Restricted Subsidiary, in each case whether by merger, amalgamation, consolidation or otherwise, (vii) any operational changes identified by the Issuer that have been made by the Issuer or any Restricted Subsidiary during the Test Period or (viii) any other transaction that by the terms of this Indenture requires a financial ratio to be calculated on a *pro forma* basis.

"Subordinated Indebtedness" means, with respect to the Notes,

(1) any Indebtedness of the Issuer that is by its terms subordinated in right of payment to the Notes, and

(2) any Indebtedness of any Guarantor that is by its terms subordinated in right of payment to the Guarantee of such entity of the Notes.

"Subsidiary" means, with respect to any Person:

(1) any corporation, association, or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50.0% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, members of management or trustees thereof is at the time of determination owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof; and

(2) any partnership, joint venture, limited liability company or similar entity of which:

(a) more than 50.0% of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof whether in the form of membership, general, special or limited partnership or otherwise, and

(b) such Person or any Restricted Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

Unless otherwise specified, all references herein to a "Subsidiary" or to "Subsidiaries" refer to a Subsidiary or Subsidiaries of the Issuer.

"Subsidiary Guarantor" means each Restricted Subsidiary of the Issuer, if any, that Guarantees the Notes in accordance with the terms of this Indenture (excluding any Parent Company that guarantees the Notes); *provided* that upon the release or discharge of such Person from its Guarantee in accordance with this Indenture, such Person ceases to be a Subsidiary Guarantor.

"Swap Contract" means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement, including any obligations or liabilities under any such master agreement.

"Test Period" in effect at any time means the Issuer's most recently ended four consecutive fiscal quarters for which internal financial statements are available (as determined in good faith by the Issuer); *provided*, prior to the first date on which financial statements have been furnished, the Test Period in effect will be the period of four consecutive fiscal quarters of the Issuer ended September 30, 2020.

"Total Net Leverage Ratio" means, with respect to any Test Period, the ratio of (a) Consolidated Total Debt outstanding on the last day of such Test Period *minus* an aggregate amount of cash and Cash Equivalents included in the consolidated balance sheet of the Issuer as of such date, excluding cash and Cash Equivalents which are listed as "Restricted" on such balance sheet, to (b) Run-Rate Adjusted EBITDA of the Issuer for such Test Period, in each case on a *pro forma* basis with such *pro forma* adjustments as are appropriate and consistent with the *pro forma* adjustment provisions set forth in the definition of Fixed Charge Coverage Ratio.

"Total New Facility Run-Rate Adjustment" means, with respect to any Person for any period, the sum of the New Facility EBITDA Adjustments for each New Facility.

"Transaction Agreement" means the Agreement and Plan of Merger, dated as of March 15, 2015, among Life Time, LTF Holdings, Inc., a Delaware corporation, and LTF Merger Sub, Inc., a Minnesota corporation, as amended, modified and supplemented from time to time.

"Transaction Expenses" means any fees, expenses, costs or charges incurred or paid by the Investors, any Parent Company, the Issuer or any Restricted Subsidiary in connection with the Transactions, including expenses in connection with hedging transactions, if any, payments to officers, employees and directors as change of control payments, severance payments, special or retention bonuses and charges for repurchase or rollover of, or modifications to, stock options and/or restricted stock.

"Transactions" means the transactions contemplated by the Transaction Agreement (as amended), and transactions related or incidental to, or in connection with, such transactions, the issuance of the Existing Notes and borrowings under the Senior Credit Facilities on June 10, 2015, and the payment of Transaction Expenses.

"Treasury Rate" means, as of any Redemption Date, the yield to maturity as of such Redemption Date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15(519) that has become publicly available at least two Business Days prior to the Redemption Date (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the Redemption Date to January 15, 2023; *provided*, if the period from the Redemption Date to such date is less than one year, the weekly average yield on actively traded United States Treasury securities adjusted to a constant maturity of one year will be used.

"Trust Indenture Act" means the Trust Indenture Act of 1939, as amended (15 U.S.C. §§ 77aaa-777bbbb).

"Trustee" means Wilmington Savings Fund Society, FSB, as trustee, until a successor replaces it in accordance with the applicable provisions of this Indenture and thereafter means the successor serving hereunder.

"Uniform Commercial Code" or "UCC" means the Uniform Commercial Code or any successor provision thereof as the same may from time to time be in effect in the State of New York or the Uniform Commercial Code or any successor provision thereof (or similar code or statute) of another jurisdiction, to the extent it may be required to apply to any item or items of Collateral.

"Unrestricted Definitive Note" means one or more Definitive Notes that do not bear and are not required to bear the Private Placement Legend.

"Unrestricted Global Note" means a permanent Global Note, substantially in the form of Exhibit A attached hereto, that bears the Global Note Legend and that has the "Schedule of Exchanges of Interests in the Global Note" attached thereto, and that is deposited with or on behalf of and registered in the name of the Depositary, representing Notes that do not bear the Private Placement Legend.

"Unrestricted Subsidiary" means:

(1) LT Co-Borrower Holdco, LLC, LT Co-Borrower, LLC, LT Canada Co-Borrower GP Inc., LT Canada Co-Borrower Holdco, LP and LT Canada Co-Borrower, LP;

(2) any Subsidiary of the Issuer which at the time of determination is an Unrestricted Subsidiary (as designated by the Issuer, as provided below); and

(3) any Subsidiary of an Unrestricted Subsidiary.

The Issuer may designate any Subsidiary of the Issuer (including any existing Subsidiary and any newly acquired or newly formed Subsidiary) to be an Unrestricted Subsidiary unless such Subsidiary or any of its Subsidiaries owns any Equity Interests or Indebtedness of, or owns or holds any Lien on, any property of, the Issuer or any Subsidiary of the Issuer (other than solely any Subsidiary of the Subsidiary to be so designated); *provided*:

(1) such designation complies with Section 4.07; and

(2) each of (a) the Subsidiary to be so designated and (b) its Subsidiaries has not at the time of designation, and does not thereafter, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable with respect to any Indebtedness pursuant to which the lender has recourse to any of the assets of the Issuer or any Restricted Subsidiary (other than Equity Interests in an Unrestricted Subsidiary).

The Issuer may designate any Unrestricted Subsidiary to be a Restricted Subsidiary;*provided* that, immediately after giving effect to such designation, no Event of Default under clauses (a) and (b) of Section 6.01 (or with respect to the Issuer only, clause (f) or Section 6.01(g) of Section 6.01) will have occurred and be continuing and either:

(1) the Issuer could incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio Test;

(2) the Issuer could incur at least $1.00 of additional Indebtedness pursuant to the Total Net Leverage Ratio Test;

(3) the Fixed Charge Coverage Ratio for the Issuer would be equal to or greater than such ratio for the Issuer immediately prior to such designation; or

(4) the Total Net Leverage Ratio for the Issuer would be equal to or less than such ratio for the Issuer immediately prior to such designation, in each case, on a *pro forma* basis taking into account such designation.

Any such designation by the Issuer will be notified by the Issuer to the Trustee by promptly filing with the Trustee a copy of the resolution of the Board of Directors or any committee thereof giving effect to such designation and an Officer's Certificate certifying that such designation complied with the foregoing provisions.

"U.S. Person" means a U.S. person as defined in Rule 902(k) under the Securities Act.

"Voting Stock" of any Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

"Weighted Average Life to Maturity" means, when applied to any Indebtedness, Disqualified Stock or Preferred Stock, as the case may be, at any date, the quotient obtained by dividing:

(1) the sum of the products of the number of years (calculated to the nearestone-twenty-fifth) from the date of determination to the date of each successive scheduled principal payment of such Indebtedness or redemption or similar payment with respect to such Disqualified Stock or Preferred Stock, *multiplied* by the amount of such payment; by

(2) the sum of all such payments;

provided, for purposes of determining the Weighted Average Life to Maturity of any Indebtedness that is being extended, replaced, refunded, refinanced, renewed or defeased (the "Applicable Indebtedness"), the effects of any amortization or prepayments made on such Applicable Indebtedness prior to the date of the applicable extension, replacement, refunding, refinancing, renewal or defeasance will be disregarded.

"Wholly-Owned Subsidiary" of any Person means a Subsidiary of such Person, 100.0% of the outstanding Equity Interests of which (other than directors' qualifying shares and shares of Capital Stock of Foreign Subsidiaries issued to foreign nationals as required under applicable law) is at the time owned by such Person and/or by one or more Wholly-Owned Subsidiaries of such Person.

"Wholly-Owned Restricted Subsidiary" is any Wholly-Owned Subsidiary that is a Restricted Subsidiary.

SECTION 1.02. Other Definitions.

Term	Defined in Section
"Acceptable Commitment"	4.10
"Advance Offer"	4.10
"Advance Portion"	4.10
"Affiliate Transaction"	4.11
"Applicable Premium Deficit"	8.04
"Asset Sale Offer"	4.10
"Asset Sale Proceeds Application Period"	4.10
"Authentication Order"	2.02
"Change of Control Offer"	4.14
"Change of Control Payment"	4.14
"Change of Control Payment Date"	4.14
"Covenant Defeasance"	8.03
"Covenant Suspension Event"	4.16

Term	Defined in Section
"Declined Excess Proceeds"	4.10
"DTC"	2.03
"Event of Default"	6.01
"Excess Proceeds"	4.10
"Fixed Charge Coverage Test"	4.07
"incur" and "incurrence"	4.09
"Initial Notes"	Section 1.01
"Issue Date Equal Priority Intercreditor Agreement"	Section 1.01
"Legal Defeasance"	8.02
"Limited Condition Transaction"	1.06
"Mortgage Policies"	10.09
"New Parent"	Section 1.01
"Note Register"	2.03
"Offer Amount"	3.09
"Offer Period"	3.09
"Other Intercreditor Amendments"	Section 9.01
"Pari Passu Indebtedness"	4.10
"Paying Agent"	2.03
"Purchase Date"	3.09
"Qualified Reporting Subsidiary"	4.03
"Redemption Date"	3.01
"Refunding Capital Stock"	4.07
"Registrar"	2.03
"Restricted Payments"	4.07
"Reversion Date"	4.16
"Second Commitment"	4.10
"Successor Company"	5.01
"Successor Person"	5.01
"Suspended Covenants"	4.16
"Suspension Date"	4.16
"Suspension Period"	4.16
"Tax Group"	4.07
"Testing Party"	1.06
"Total Net Leverage Ratio Test"	4.07
"Transaction Agreement Date"	1.06
"Transfer Agent"	2.03
"Treasury Capital Stock"	4.07

SECTION 1.03. [Reserved].

SECTION 1.04. Rules of Construction. Unless the context otherwise requires:

(a) a term has the meaning assigned to it;

(b) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;

(c) "or" is not exclusive;

(d) the words "including," "includes" and similar words shall be deemed to be followed by without limitation;

(e) words in the singular include the plural, and in the plural include the singular;

(f) "will" shall be interpreted to express a command;

(g) provisions apply to successive events and transactions;

(h) references to sections of, or rules under, the Securities Act or the Exchange Act shall be deemed to include substitute, replacement or successor sections or rules adopted by the SEC from time to time;

(i) unless the context otherwise requires, any reference to an "Article," "Section" or "clause" refers to an Article, Section or clause, as the case may be, of this Indenture;

(j) the words "herein," "hereof" and "hereunder" and other words of similar import refer to this Indenture as a whole and not any particular Article, Section, clause or other subdivision;

(k) [Reserved];

(l) the principal amount of any Preferred Stock at any time shall be (i) the maximum liquidation value of such Preferred Stock at such time or (ii) the maximum mandatory redemption or mandatory repurchase price with respect to such Preferred Stock at such time, whichever is greater;

(m) words used herein implying any gender shall apply to both genders;

(n) in the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including"; the words "to" and "until" each mean "to but excluding"; and the word "through" means "to and including"; and

(o) the principal amount of any non-interest bearing Indebtedness or other discount security constituting Indebtedness at any date shall be the principal amount thereof that would be shown on a balance sheet of the Issuer dated such date prepared in accordance with GAAP.

SECTION 1.05. Acts of Holders.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by an agent duly appointed in writing. Except as herein otherwise expressly provided,

such action shall become effective when such instrument or instruments are delivered to the Trustee and, where it is hereby expressly required, to the Issuer. Proof of execution of any such instrument or of a writing appointing any such agent, or the holding by any Person of a Note, shall be sufficient for any purpose of this Indenture and (subject to Section 7.01 hereof) conclusive in favor of the Trustee and the Issuer, if made in the manner provided in this Section 1.05.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof. Where such execution is by or on behalf of any legal entity other than an individual, such certificate or affidavit shall also constitute proof of the authority of the Person executing the same. The fact and date of the execution of any such instrument or writing, or the authority of the Person executing the same, may also be proved in any other manner that the Trustee deems sufficient.

(c) The ownership of Notes shall be proved by the Note Register.

(d) Any request, demand, authorization, direction, notice, consent, waiver or other action by the Holder of any Note shall bind every future Holder of the same Note and the Holder of every Note issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof, in respect of any action taken, suffered or omitted by the Trustee or the Issuer in reliance thereon, whether or not notation of such action is made upon such Note.

(e) Unless otherwise specified, if not set by the Issuer prior to the first solicitation of a Holder made by any Person in respect of any such action, or in the case of any such vote, prior to such vote, any such record date shall be the later of 10 days prior to the first solicitation of such consent or the date of the most recent list of Holders furnished to the Trustee prior to such solicitation.

(f) Without limiting the foregoing, a Holder entitled to take any action hereunder with regard to any particular Note may do so with regard to all or any part of the principal amount of such Note or by one or more duly appointed agents, each of which may do so pursuant to such appointment with regard to all or any part of such principal amount. Any notice given or action taken by a Holder or its agents with regard to different parts of such principal amount pursuant to this paragraph shall have the same effect as if given or taken by separate Holders of each such different part.

(g) Without limiting the generality of the foregoing, a Holder, including DTC, that is a Holder of a Global Note, may make, give or take, by a proxy or proxies duly appointed in writing, any request, demand, authorization, direction, notice, consent, waiver or other action provided in this Indenture to be made, given or taken by Holders, and any Person, that is a Holder of a Global Note, including DTC, may provide its proxy or proxies to the beneficial owners of interests in any such Global Note through such Depositary's standing instructions and customary practices.

(h) The Issuer may fix a record date for the purpose of determining the Persons who are beneficial owners of interests in any Global Note held by DTC entitled under the procedures of such Depositary to make, give or take, by a proxy or proxies duly appointed in writing, any request, demand, authorization, direction, notice, consent, waiver or other action provided in this Indenture to be made, given or taken by Holders. If such a record date is fixed, the Holders on such record date or their duly appointed proxy or proxies, and only such Persons, shall be entitled to make, give or take such request, demand, authorization, direction, notice, consent, waiver or other action, whether or not such Holders remain Holders after such record date. No such request, demand, authorization, direction, notice, consent, waiver or other action shall be valid or effective if made, given or taken more than 90 days after such record date.

SECTION 1.06. Limited Condition Transactions; Measuring Compliance.

(a) With respect to any (w) Investment or acquisition, merger, amalgamation or similar transaction in each case, that has been definitively agreed to or publicly announced (including a Change of Control), (x) Asset Sale or similar transaction that has been definitively agreed to or publicly announced, (y) repayment, repurchase or refinancing of Indebtedness, Disqualified Stock or Preferred Stock with respect to which a notice of repayment (or similar notice), which may be conditional, has been delivered and (z) Restricted Payment that has been declared (a transaction described in clauses (w) through (z), a "Limited Condition Transaction"), in each case for purposes of determining:

(i) whether any Indebtedness (including Acquired Indebtedness), Disqualified Stock or Preferred Stock that is being incurred in connection with such Limited Condition Transaction is permitted to be incurred in compliance with Section 4.09;

(ii) whether any Lien being incurred in connection with such Limited Condition Transaction or to secure any such Indebtedness is permitted to be incurred in accordance with Section 4.12 or the definition of "Permitted Liens";

(iii) whether any other transaction undertaken or proposed to be undertaken in connection with such Limited Condition Transaction (including any Restricted Payment, Investment, Asset Sale or designation of an Unrestricted Subsidiary) complies with the covenants or agreements contained in this Indenture or the Notes;

(iv) any calculation of the ratios, baskets or financial metrics, including the Fixed Charge Coverage Ratio, Total Net Leverage Ratio, First Lien Net Leverage Ratio, Net Income, Consolidated Net Income, Adjusted EBITDA and/or Run-Rate Adjusted EBITDA and any other terms used in such ratios, baskets or financial metrics and, whether a Default or Event of Default exists, has occurred, is continuing or would result in connection with the foregoing; and

(v) whether any condition precedent to the Limited Condition Transaction and any incurrence of Indebtedness (including Acquired Indebtedness), Disqualified Stock, Preferred Stock or Liens or any other transaction undertaken or proposed to be undertaken in connection with such Limited Condition Transaction, in each case that is being incurred in connection with such Limited Condition Transaction is satisfied,

at the option of the Issuer, any of its Restricted Subsidiaries, any Parent Company of the Issuer or any successor entity of any of the foregoing or a third party (the "Testing Party"), using the date that the definitive agreement (or other relevant documentation) for such Limited Condition Transaction, announcement (public or otherwise) of, or the date of any notice, which may be conditional, of such Limited Condition Transaction or the date of declaration of a Restricted Payment (the "Transaction Agreement Date") may be used as the applicable date of determination, as the case may be, in each case with such *pro forma* adjustments as are appropriate and consistent with the *pro forma* adjustment provisions set forth in the definition of "Fixed Charge Coverage Ratio" or "Adjusted EBITDA". For the avoidance of doubt, if the Testing Party elects to use the Transaction Agreement Date as the applicable date of determination in accordance with the foregoing, (a) any fluctuation or change in the Fixed Charge Coverage Ratio, Total Net Leverage Ratio, First Lien Net Leverage Ratio, Net Income, Consolidated Net Income, Adjusted EBITDA, Run-Rate Adjusted EBITDA or other related terms in the calculation of ratios, baskets and financial metrics of the Issuer, the target business, or assets to be acquired subsequent to the Transaction Agreement Date and prior to the consummation of such Limited Condition Transaction, will not be taken into account for purposes of determining whether any Indebtedness or Lien that is being incurred in connection with such Limited Condition Transaction is permitted to be incurred or in connection with compliance by the Issuer or any of the Restricted Subsidiaries with any other provision of this Indenture or the Notes or any other transaction undertaken in connection with such Limited Condition Transaction, (b) for purposes of determining compliance with any provision which requires that no Default or Event of Default, as applicable, has occurred, is continuing or would result from any Limited Condition Transaction, such condition shall be deemed satisfied so long as no Default or Event of Default, as applicable, exists on the Transaction Agreement Date, (c) if financial statements for one or more subsequent fiscal quarters shall have become available, the Testing Party may elect, in its sole discretion, to re-determine all such baskets, ratios and financial metrics on the basis of such financial statements, in which case such date of redetermination shall thereafter be deemed to be the applicable Transaction Agreement Date for purposes of such baskets, ratios and financial metrics, (d) if any ratios or financial metrics improve or baskets increase as a result of such fluctuations, such improved ratios, financial metrics or baskets may be utilized, (e) until such Limited Condition Transaction is consummated, such definitive agreements (or other relevant documentation) are terminated or conditions in any conditional notice can no longer be met or public announcements with respect thereto are withdrawn or there is a public announcement to the effect that the transaction contemplated by such definitive agreements will no longer be consummated or such transaction is otherwise abandoned (each as determined by the Testing Party), such Limited Condition Transaction and all transactions proposed to be undertaken in connection therewith (including the incurrence of Indebtedness and Liens) will be given *pro forma* effect when determining compliance of other transactions (including the incurrence of Indebtedness and Liens unrelated to such Limited Condition Transaction) that are consummated after the Transaction Agreement Date and on or prior to the consummation of such Limited Condition Transaction and any such transactions (including any incurrence of Indebtedness and the use of proceeds thereof and Liens) will be deemed to have occurred on the Transaction Agreement Date and be outstanding thereafter for purposes of calculating any baskets or ratios under this Indenture after the Transaction Agreement Date and before the date of consummation of such Limited Condition Transaction and (f) Consolidated Interest Expense and Fixed Charges for purposes of the Fixed

Charge Coverage Ratio will be calculated using an assumed interest rate based on the indicative interest margin (without giving effect to any step-ups) contained in any financing commitment documentation with respect to such Indebtedness or, if no such indicative interest margin exists, as reasonably determined by the Testing Party in good faith. In addition, compliance with any requirement relating to absence of Default or Event of Default may be determined as of the Transaction Agreement Date and not as of any later date as would otherwise be required hereunder, except as contemplated by clause (c) of the immediately preceding sentence.

(b) Notwithstanding anything to the contrary, in connection with a Testing Party's election to use a Transaction Agreement Date in connection with a Limited Condition Transaction, any reference to "date of incurrence, "time of incurrence," "date of determination" or other similar phrases with respect to the date or time an action is taken or when a calculation with respect to taking such action is made herein will mean the Transaction Agreement Date.

(c) In the event an item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) is incurred or issued, any Lien is incurred or other transaction is undertaken on the same date that any other item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) is incurred or issued, any other Lien is incurred or other transaction is undertaken, then the Fixed Charge Coverage Ratio, Total Net Leverage Ratio and First Lien Net Leverage Ratio will be calculated with respect to such incurrence, issuance or other transaction without regard to any other incurrence, issuance or transaction. Each item of Indebtedness, Disqualified Stock or Preferred Stock that is incurred or issued, each Lien incurred and each other transaction undertaken will be deemed to have been incurred, issued or taken first, to the extent available, pursuant to the relevant Fixed Charge Coverage Ratio, Total Net Leverage Ratio and First Lien Net Leverage Ratio. In the event Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) is incurred or issued, any Lien is incurred or other transaction is undertaken in reliance on any ratio-based basket such action will be deemed incurred under the ratio-based portion of such basket and shall not utilize any dollar-based portion of such basket.

(d) Any action (including the incurrence or issuance of Indebtedness, Disqualified Stock or Preferred Stock, the incurrence of Lien incurred, the making of an Asset Sale, Restricted Payment or Investment and each other transaction undertaken) that is incurred, issued or taken pursuant to a basket based on Run-Rate Adjusted EBITDA will be deemed incurred under the basket based onRun-Rate Adjusted EBITDA and shall not utilize any dollar-based portion of such basket.

(e) To the extent the date of delivery of any document required to be delivered pursuant to any provision of this Indenture falls on a day that is not a Business Day, the applicable date of delivery shall be deemed to be the next succeeding Business Day.

(f) For purposes of determining the maturity date of any Indebtedness, customary bridge loans, extendable bridge loans or other interim debt subject to customary conditions that would be extended as, converted into or required to be exchanged for permanent refinancing either automatically or subject to customary conditions (including no payment or bankruptcy event of default) shall be deemed to have the maturity date as so extended, converted or exchanged.

(g) For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment but giving effect to any returns or distributions of capital or repayment of principal actually received in cash by such Person with respect thereto.

(h) Notwithstanding anything to the contrary herein, so long as an action was taken (or not taken) in reliance upon a basket, ratio or financial metric that was calculated or determined in good faith by a responsible financial or accounting officer of the Issuer or any Parent Company of the Issuer based upon financial information available to such officer at such time and such action (or inaction) was permitted under this Indenture at the time of such calculation or determination, any subsequent restatement, modification or adjustments made to such financial information (including any restatement, modification or adjustment that would have caused such basket or ratio to be exceeded as a result of such action or inaction) shall not result in any Default or Event of Default.

ARTICLE II

THE NOTES

SECTION 2.01. Form and Dating; Terms.

(a) General. The Notes and the Trustee's certificate of authentication shall be substantially in the form of Exhibit A attached hereto. The Notes may have notations, legends or endorsements required by law, stock exchange rules or usage. Each Note shall be dated the date of its authentication. The Notes shall be issued initially in minimum denominations of $2,000 and any integral multiple of $1,000 in excess of $2,000.

(b) Global Notes. Notes issued in global form shall be substantially in the form of Exhibit A attached hereto (including the Global Note Legend thereon and the "Schedule of Exchanges of Interests in the Global Note" attached thereto). Notes issued in definitive form shall be substantially in the form of Exhibit A attached hereto (but without the Global Note Legend thereon and without the "Schedule of Exchanges of Interests in the Global Note" attached thereto). Each Global Note shall represent such of the outstanding Notes as shall be specified in the "Schedule of Exchanges of Interests in the Global Note" attached thereto and each shall provide that it shall represent up to the aggregate principal amount of Notes from time to time endorsed thereon and that the aggregate principal amount of outstanding Notes represented thereby may from time to time be reduced or increased, as applicable, to reflect exchanges and redemptions. Any endorsement of a Global Note to reflect the amount of any increase or decrease in the aggregate principal amount of outstanding Notes represented thereby shall be made by the Trustee or the Custodian, at the direction of the Trustee, in accordance with instructions given by the Holder thereof as required by Section 2.06 hereof.

(c) Temporary Global Notes. Notes offered and sold in reliance on Regulation S shall be issued initially in the form of the Regulation S Temporary Global Note, which shall be deposited on behalf of the purchasers of the Notes represented thereby with the Custodian and registered in the name of the Depositary or the nominee of the Depositary for the accounts of designated agents holding on behalf of Euroclear or Clearstream, duly executed by the Issuer and authenticated by the Trustee as hereinafter provided.

Following (i) the termination of the applicable Restricted Period and (ii) the receipt by the Trustee of (A) a certification or other evidence in a form reasonably acceptable to the Issuer of non-United States beneficial ownership of 100% of the aggregate principal amount of each Regulation S Temporary Global Note (except to the extent of any beneficial owners thereof who acquired an interest therein during the Restricted Period pursuant to another exemption from registration under the Securities Act and who shall take delivery of a beneficial ownership interest in a 144A Global Note or an IAI Global Note bearing a Private Placement Legend, all as contemplated by Section 2.06(b) hereof) and (B) an Officer's Certificate from the Issuer, the Trustee shall remove the Regulation S Temporary Global Note Legend from the Regulation S Temporary Global Note, following which temporary beneficial interests in the Regulation S Temporary Global Note shall automatically become beneficial interests in the Regulation S Permanent Global Note pursuant to the Applicable Procedures.

The aggregate principal amount of a Regulation S Temporary Global Note and a Regulation S Permanent Global Note may from time to time be increased or decreased by adjustments made on the records of the Trustee and the Depositary or its nominee, as the case may be, in connection with transfers of interest as hereinafter provided.

(d) Terms. The aggregate principal amount of Notes that may be authenticated and delivered under this Indenture is unlimited.

The terms and provisions contained in the Notes shall constitute, and are hereby expressly made, a part of this Indenture and the Issuer and the Trustee, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby. However, to the extent any provision of any Note conflicts with the express provisions of this Indenture, the provisions of this Indenture shall govern and be controlling.

The Notes shall be subject to repurchase by the Issuer pursuant to an Asset Sale Offer as provided in Section 4.10 or a Change of Control Offer as provided in Section 4.14. The Notes shall not be redeemable, other than as provided in Article III hereof.

Additional Notes ranking pari passu with the Initial Notes may be created and issued from time to time by the Issuer without notice to or consent of the Holders and shall be consolidated with and form a single class with the Initial Notes and shall have the same terms as to status, redemption or otherwise as the Initial Notes except that interest may accrue on the Additional Notes from their date of issuance (or such other date specified by the Issuer); *provided* that the Issuer's ability to issue Additional Notes shall be subject to the Issuer's compliance with Section 4.09 and Section 4.12 and that a separate CUSIP or ISIN will be issued for Additional Notes, unless the Initial Notes and Additional Notes are treated as fungible, for U.S. federal income tax purposes, with the Initial Notes or any other Additional Notes bearing the same CUSIP or ISIN. Any Additional Notes shall be issued with the benefit of an indenture supplemental to this Indenture.

(e) Euroclear and Clearstream Applicable Procedures. The provisions of the "Operating Procedures of the Euroclear System" and "Terms and Conditions Governing Use of Euroclear" and the "General Terms and Conditions of Clearstream Banking" and "Customer Handbook" of Clearstream shall be applicable to transfers of beneficial interests in the Regulation S Temporary Global Note and the Regulation S Permanent Global Notes that are held by Participants through Euroclear or Clearstream and this Indenture shall not govern such transfers.

SECTION 2.02. Execution and Authentication. At least one Officer shall execute the Notes on behalf of the Issuer by manual, facsimile or electronic (in ".pdf" format) signature.

If an Officer whose signature is on a Note no longer holds that office at the time the Trustee authenticates the Note, the Note shall nevertheless be valid.

A Note shall not be entitled to any benefit under this Indenture or be valid or obligatory for any purpose until authenticated substantially in the form of Exhibit A attached hereto, by the manual signature of the Trustee. The signature shall be conclusive evidence that the Note has been duly authenticated and delivered under this Indenture.

On the Issue Date, the Trustee shall, upon receipt of an Issuer's Order (an "Authentication Order"), authenticate and deliver the Initial Notes in the aggregate principal amount or amounts specified in such Authentication Order. In addition, at any time, from time to time, the Trustee shall, upon receipt of an Authentication Order, authenticate and deliver any Additional Notes for an aggregate principal amount specified in such Authentication Order for such Additional Notes issued or increased hereunder.

The Trustee may appoint an authenticating agent acceptable to the Issuer to authenticate Notes. An authenticating agent may authenticate Notes whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent. An authenticating agent has the same rights as an Agent to deal with Holders or an Affiliate of the Issuer.

SECTION 2.03. Registrar, Transfer Agent and Paying Agent. The Issuer shall maintain (i) an office or agency where Notes may be presented for registration ("Registrar") (ii) an office or agency where Notes may be presented for transfer or for exchange ("Transfer Agent") and (iii) an office or agency where Notes may be presented for payment ("Paying Agent"). The Registrar shall keep a register of the Notes ("Note Register") and of their transfer and exchange. The registered Holder will be treated as the owner of the Note for all purposes. Only registered Holders will have rights under this Indenture and the Notes. The Issuer may appoint one or more co-registrars, one or more co-transfer agents and one or more additional paying agents. The term "Registrar" includes any co-registrar, the term "Transfer Agent" includes any co-transfer agent and the term "Paying Agent" includes any additional paying agents. The Issuer may change any Paying Agent, Transfer Agent or Registrar without prior notice to any Holder. The Issuer shall notify the Trustee in writing of the name and address of any Agent not a party to this Indenture. If the Issuer fails to appoint or maintain another entity as Registrar, Transfer Agent or Paying Agent, the Trustee shall act as such. The Issuer or any of its Subsidiaries may act as Paying Agent, Transfer Agent or Registrar.

The Issuer initially appoints The Depository Trust Company ("DTC") to act as Depositary with respect to the Global Notes.

The Issuer initially appoints the Trustee to act as the Paying Agent, Transfer Agent and Registrar for the Notes and to act as Custodian with respect to the Global Notes.

If any Notes are listed on an exchange, for so long as the Notes are so listed and the rules of such exchange so require, the Issuer will satisfy any requirement of such exchange as to paying agents, registrars and transfer agents and will comply with any notice requirements required under such exchange in connection with any change of any paying agent, registrar or transfer agent.

SECTION 2.04. Paying Agent to Hold Money in Trust. The Issuer shall require each Paying Agent other than the Trustee to agree in writing that the Paying Agent shall hold in trust for the benefit of Holders or the Trustee all money held by the Paying Agent for the payment of principal, premium, if any, or interest on the Notes, and will notify the Trustee of any default by the Issuer in making any such payment. While any such default continues, the Trustee may require a Paying Agent to pay all money held by it to the Trustee for its own benefit and for the benefit of the Holders. The Issuer at any time may require a Paying Agent to pay all money held by it to the Trustee for its own benefit and for the benefit of the Holders. Upon payment over to the Trustee, the Paying Agent (if other than the Issuer or a Subsidiary or the Trustee) shall have no further liability for the money. If the Issuer or a Subsidiary acts as Paying Agent, it shall segregate and hold in a separate trust fund for the benefit of the Holders all money held by it as Paying Agent. Upon any bankruptcy or reorganization proceedings relating to the Issuer, the Trustee shall serve as Paying Agent for the Notes.

SECTION 2.05. Holder Lists. The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of all Holders. If the Trustee is not the Registrar, the Issuer shall furnish to the Trustee at least two Business Days before each Interest Payment Date and at such other times as the Trustee may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of the Holders.

SECTION 2.06. Transfer and Exchange.

(a) Transfer and Exchange of Global Notes. Except as otherwise set forth in this Section 2.06, a Global Note may be transferred, in whole and not in part, only to another nominee of the Depositary or to a successor thereto or a nominee of such successor thereto. A beneficial interest in a Global Note may not be exchanged for a Definitive Note of the same series unless (i) the Depositary (x) notifies the Issuer that it is unwilling or unable to continue as Depositary for such Global Note or (y) has ceased to be a clearing agency registered under the Exchange Act, and, in either case, a successor Depositary is not appointed by the Issuer within 90 days, (ii) the Issuer, at its option, notifies the Trustee in writing that it elects to cause the issuance of Definitive Notes and any Participant requests a Definitive Note in accordance with the Applicable Procedures (although Regulation S Temporary Global Notes at the Issuer's election pursuant to this clause may not be exchanged for Definitive Notes other than pursuant to Rule 903(b)(3)(ii)(B) of Regulation S) or (iii) upon the request of a Holder if there shall have

occurred and be continuing an Event of Default with respect to the Notes. Upon the occurrence of any of the events in clauses (i), (ii) or (iii) above, Definitive Notes delivered in exchange for any Global Note of the same series or beneficial interests therein will be registered in the names, and issued in any approved denominations, requested by or on behalf of the Depositary (in accordance with its customary procedures). Global Notes also may be exchanged or replaced, in whole or in part, as provided in Sections 2.07 and 2.10 hereof. Every Note authenticated and delivered in exchange for, or in lieu of, a Global Note of the same series or any portion thereof, pursuant to this Section 2.06 or Sections 2.07 or 2.10 hereof, shall be authenticated and delivered in the form of, and shall be, a Global Note, except for Definitive Notes issued subsequent to any of the events in (i), (ii) or (iii) above and pursuant to Section 2.06(c) hereof. A Global Note may not be exchanged for another Note other than as provided in this Section 2.06(a); *provided, however*, beneficial interests in a Global Note may be transferred and exchanged as provided in Section 2.06(b), (c) or (f) hereof.

(b) Transfer and Exchange of Beneficial Interests in the Global Notes The transfer and exchange of beneficial interests in the Global Notes shall be effected through the Depositary in accordance with the provisions of this Indenture and the Applicable Procedures. Beneficial interests in the Restricted Global Notes shall be subject to restrictions on transfer comparable to those set forth herein to the extent required by the Securities Act. Transfers of beneficial interests in the Global Notes also shall require compliance with either subparagraph (i) or (ii) below, as applicable, as well as one or more of the other following subparagraphs, as applicable:

(i) Transfer of Beneficial Interests in the Same Global Note Beneficial interests in any Restricted Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in the same Restricted Global Note in accordance with the transfer restrictions set forth in the Private Placement Legend; *provided* that prior to the expiration of the Restricted Period, transfers of beneficial interests in the Regulation S Temporary Global Note may not be made to a U.S. Person or for the account or benefit of a U.S. Person other than pursuant to Rule 144A or another available exemption from the registration requirements of the Securities Act. Beneficial interests in any Unrestricted Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note. No written orders or instructions shall be required to be delivered to the Registrar to effect the transfers described in this Section 2.06(b)(i).

(ii) All Other Transfers and Exchanges of Beneficial Interests in Global Notes In connection with all transfers and exchanges of beneficial interests that are not subject to Section 2.06(b)(i) hereof, the transferor of such beneficial interest must deliver to the Registrar either (A) (1) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to credit or cause to be credited a beneficial interest in another Global Note in an amount equal to the beneficial interest to be transferred or exchanged and (2) instructions given in accordance with the Applicable Procedures containing information regarding the Participant account to be credited with such increase or (B) (1) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to cause to be issued a Definitive Note of the same series in an amount equal to the beneficial interest to be transferred or

exchanged and (2) instructions given by the Depositary to the Registrar containing information regarding the Person in whose name such Definitive Note shall be registered to effect the transfer or exchange referred to in (1) above; *provided* that in no event shall Definitive Notes be issued upon the transfer or exchange of beneficial interests in the Regulation S Temporary Global Note prior to (x) the expiration of the Restricted Period therefor and (y) the receipt by the Registrar of any certificates required pursuant to Rule 903(b)(3)(ii)(B). Upon satisfaction of all of the requirements for transfer or exchange of beneficial interests in Global Notes contained in this Indenture and the Notes or otherwise applicable under the Securities Act, the Trustee shall adjust the principal amount of the relevant Global Note(s) pursuant to Section 2.06(h) hereof.

(iii) Transfer of Beneficial Interests to Another Restricted Global Note. A beneficial interest in any Restricted Global Note may be transferred to a Person who takes delivery thereof in the form of a beneficial interest in another Restricted Global Note if the transfer complies with the requirements of Section 2.06(b)(ii) hereof and the Registrar receives the following:

(A) if the transferee will take delivery in the form of a beneficial interest in the 144A Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (1) thereof;

(B) if the transferee will take delivery in the form of a beneficial interest in the Regulation S Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (2) thereof; or

(C) if the transferee will take delivery in the form of a beneficial interest in the IAI Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (3) thereof, and the transferee must furnish to the Registrar a signed letter substantially in the form of Exhibit E.

(iv) Transfer and Exchange of Beneficial Interests in a Restricted Global Note for Beneficial Interests in an Unrestricted Global Note. A beneficial interest in any Restricted Global Note may be exchanged by any holder thereof for a beneficial interest in an Unrestricted Global Note or transferred to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note if the exchange or transfer complies with the requirements of Section 2.06(b)(ii) hereof and:

(A) [Reserved];

(B) [Reserved];

(C) [Reserved];

(D) the Registrar receives the following:

(1) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a beneficial interest in an Unrestricted Global Note of the same series, a certificate from such Holder substantially in the form of Exhibit C hereto, including the certifications in item (1)(a) thereof; or

(2) if the holder of such beneficial interest in a Restricted Global Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note of the same series, a certificate from such holder in the form of Exhibit B hereto, including the certifications in item (5) thereof;

and, in each such case set forth in this subparagraph (D), if the Registrar or the Issuer so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Issuer to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

If any such transfer is effected pursuant to subparagraph (D) above at a time when an Unrestricted Global Note has not yet been issued, the Issuer shall issue and, upon receipt of an Authentication Order in accordance with Section 2.02 hereof, the Trustee shall authenticate one or more Unrestricted Global Notes in an aggregate principal amount equal to the aggregate principal amount of beneficial interests transferred pursuant to subparagraph (D) above.

Beneficial interests in an Unrestricted Global Note cannot be exchanged for, or transferred to Persons who take delivery thereof in the form of, a beneficial interest in a Restricted Global Note.

(c) Transfer or Exchange of Beneficial Interests for Definitive Notes

(i) Beneficial Interests in Restricted Global Notes to Restricted Definitive Notes If any holder of a beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Restricted Definitive Note or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Restricted Definitive Note, then, upon the occurrence of any of the events in clauses (i), (ii) and (iii) of Section 2.06(a) hereof and receipt by the Registrar of the following documentation:

(A) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Restricted Definitive Note, a certificate from such holder substantially in the form of Exhibit C hereto, including the certifications in item (2)(a) thereof;

(B) if such beneficial interest is being transferred to a QIB in accordance with Rule 144A, a certificate substantially in the form of Exhibit B hereto, including the certifications in item (1) thereof;

(C) if such beneficial interest is being transferred to aNon-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904, a certificate substantially in the form of Exhibit B hereto, including the certifications in item (2) thereof;

(D) if the transferee will take delivery in the form of a beneficial interest in the IAI Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (3) thereof, and the transferee must furnish to the Registrar a signed letter substantially in the form of Exhibit E;

(E) if such beneficial interest is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144, a certificate substantially in the form of Exhibit B hereto, including the certifications in item (4)(a) thereof; or

(F) if such beneficial interest is being transferred to the Issuer or any of its Subsidiaries, a certificate substantially in the form of Exhibit B hereto, including the certifications in item (4)(b) thereof;

the Trustee shall cause the aggregate principal amount of the applicable Global Note to be reduced accordingly pursuant to Section 2.06(h) hereof, and the Issuer shall execute and the Trustee shall authenticate and mail to the Person designated in the instructions a Definitive Note in the applicable principal amount. Any Definitive Note issued in exchange for a beneficial interest in a Restricted Global Note pursuant to this Section 2.06(c) shall be registered in such name or names and in such authorized denomination or denominations as the holder of such beneficial interest shall instruct the Registrar through instructions from the Depositary and the Participant or Indirect Participant. The Trustee shall mail such Definitive Notes to the Persons in whose names such Notes are so registered. Any Definitive Note issued in exchange for a beneficial interest in a Restricted Global Note pursuant to this Section 2.06(c)(i) shall bear the Private Placement Legend and shall be subject to all restrictions on transfer contained therein.

(ii) Beneficial Interests in Regulation S Temporary Global Note to Definitive Notes Notwithstanding Sections 2.06(c)(i)(A) and (C) hereof, a beneficial interest in the Regulation S Temporary Global Note may not be exchanged for a Definitive Note or transferred to a Person who takes delivery thereof in the form of a Definitive Note prior to (A) the expiration of the Restricted Period and (B) the receipt by the Registrar of any certificates required pursuant to Rule 903(b)(3)(ii)(B) of the Securities Act, except in the case of a transfer pursuant to an exemption from the registration requirements of the Securities Act other than Rule 903 or Rule 904.

(iii) Beneficial Interests in Restricted Global Notes to Unrestricted Definitive Notes A holder of a beneficial interest in a Restricted Global Note may exchange such beneficial interest for an Unrestricted Definitive Note or may transfer such beneficial interest to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note only upon the occurrence of any of the events in clause (i) of Section 2.06(a) hereof and if:

(A) [Reserved];

(B) [Reserved];

(C) [Reserved];

(D) the Registrar receives the following:

(1) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for an Unrestricted Definitive Note, a certificate from such holder substantially in the form of Exhibit C hereto, including the certifications in item (1)(b) thereof; or

(2) if the holder of such beneficial interest in a Restricted Global Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of an Unrestricted Definitive Note, a certificate from such holder substantially in the form of Exhibit B hereto, including the certifications in item (5) thereof;

and, in each such case set forth in this subparagraph (D), if the Registrar or the Issuer so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Issuer to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

(iv) Beneficial Interests in Unrestricted Global Notes to Unrestricted Definitive Notes If any holder of a beneficial interest in an Unrestricted Global Note proposes to exchange such beneficial interest for a Definitive Note or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Definitive Note, then, upon the occurrence of any of the events in clauses (i), (ii) and (iii) of Section 2.06(a) hereof and satisfaction of the conditions set forth in Section 2.06(b)(ii) hereof, the Trustee shall cause the aggregate principal amount of the applicable Global Note to be reduced accordingly pursuant to Section 2.06(h) hereof, and the Issuer shall execute and the Trustee shall authenticate and mail to the Person designated in the instructions a Definitive Note in the applicable principal amount. Any Definitive Note issued in exchange for a beneficial interest pursuant to this Section 2.06(c)(iv) shall be registered in such name or names and in such authorized denomination or denominations as the holder of such beneficial interest shall instruct the Registrar through instructions from or through the Depositary and the Participant or Indirect Participant. The Trustee shall mail such Definitive Notes to the Persons in whose names such Notes are so registered. Any Definitive Note issued in exchange for a beneficial interest pursuant to this Section 2.06(c)(iv) shall not bear the Private Placement Legend.

(d) Transfer and Exchange of Definitive Notes for Beneficial Interests

(i) Restricted Definitive Notes to Beneficial Interests in Restricted Global Notes If any Holder of a Restricted Definitive Note proposes to exchange such Note for a beneficial interest in a Restricted Global Note or to transfer such Restricted Definitive Note to a Person who takes delivery thereof in the form of a beneficial interest in a Restricted Global Note, then, upon receipt by the Registrar of the following documentation:

(A) if the Holder of such Restricted Definitive Note proposes to exchange such Note for a beneficial interest in a Restricted Global Note, a certificate from such Holder substantially in the form of Exhibit C hereto, including the certifications in item (2)(b) thereof;

(B) if such Restricted Definitive Note is being transferred to a QIB in accordance with Rule 144A, a certificate substantially in the form of Exhibit B hereto, including the certifications in item (1) thereof;

(C) if such Restricted Definitive Note is being transferred to aNon-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904, a certificate substantially in the form of Exhibit B hereto, including the certifications in item (2) thereof;

(D) if the transferee will take delivery in the form of a beneficial interest in the IAI Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (3) thereof, and the transferee must furnish to the Registrar a signed letter substantially in the form of Exhibit E;

(E) if such Restricted Definitive Note is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144, a certificate substantially in the form of Exhibit B hereto, including the certifications in item (4)(a) thereof; or

(F) if such Restricted Definitive Note is being transferred to the Issuer or any of its Subsidiaries, a certificate substantially in the form of Exhibit B hereto, including the certifications in item (4)(b) thereof;

the Trustee shall cancel the Restricted Definitive Note and increase or cause to be increased the aggregate principal amount of, in the case of clause (A) above, the applicable Restricted Global Note, in the case of clause (B) above, the applicable 144A Global Note, in the case of clause (C) above, the applicable Regulation S Global Note and, in the case of clause (D) above, the applicable IAI Global Note.

(ii) Restricted Definitive Notes to Beneficial Interests in Unrestricted Global Notes A Holder of a Restricted Definitive Note may exchange such Note for a beneficial interest in an Unrestricted Global Note or transfer such Restricted Definitive Note to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note only if:

(A) [Reserved];

(B) [Reserved];

(C) [Reserved];

(D) the Registrar receives the following:

(1) if the Holder of such Definitive Notes proposes to exchange such Notes for a beneficial interest in the Unrestricted Global Note, a certificate from such Holder substantially in the form of Exhibit C hereto, including the certifications in item (1)(c) thereof; or

(2) if the Holder of such Definitive Notes proposes to transfer such Notes to a Person who shall take delivery thereof in the form of a beneficial interest in the Unrestricted Global Note, a certificate from such Holder substantially in the form of Exhibit B hereto, including the certifications in item (5) thereof;

and, in each such case set forth in this subparagraph (D), if the Registrar or the Issuer so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Issuer to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

Upon satisfaction of the conditions of any of the subparagraphs in this Section 2.06(d)(ii), the Trustee shall cancel the Restricted Definitive Note and increase or cause to be increased the aggregate principal amount of the Unrestricted Global Note.

(iii) Unrestricted Definitive Notes to Beneficial Interests in Unrestricted Global Notes A Holder of an Unrestricted Definitive Note may exchange such Note for a beneficial interest in an Unrestricted Global Note or transfer such Definitive Notes to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note at any time. Upon receipt of a request for such an exchange or transfer, the Trustee shall cancel the applicable Unrestricted Definitive Note and increase or cause to be increased the aggregate principal amount of one of the Unrestricted Global Notes.

If any such exchange or transfer from a Definitive Note to a beneficial interest is effected pursuant tosub-paragraph (ii) or (iii) above at a time when an Unrestricted Global Note has not yet been issued, the Issuer shall issue and, upon receipt of an Authentication Order in accordance with Section 2.02 hereof, the Trustee shall authenticate one or more Unrestricted Global Notes in an aggregate principal amount equal to the principal amount of Definitive Notes so transferred.

(e) Transfer and Exchange of Definitive Notes for Definitive Notes. Upon request by a Holder of Definitive Notes and such Holder's compliance with the provisions of this Section 2.06(e), the Registrar shall register the transfer or exchange of Definitive Notes. Prior to such registration of transfer or exchange, the requesting Holder shall present or surrender to the Registrar the Definitive Notes duly endorsed or accompanied by a written instruction of transfer or exchange in form satisfactory to the Registrar duly executed by such Holder or by its attorney, duly authorized in writing.

In addition, the requesting Holder shall provide any additional certifications, documents and information, as applicable, required pursuant to the following provisions of this Section 2.06(e):

(i) Restricted Definitive Notes to Restricted Definitive Notes. Any Restricted Definitive Note may be transferred to and registered in the name of Persons who take delivery thereof in the form of a Restricted Definitive Note if the Registrar receives the following:

(A) if the transfer will be made to a QIB in accordance with Rule 144A, then the transferor must deliver a certificate substantially in the form of Exhibit B hereto, including the certifications in item (1) thereof;

(B) if the transfer will be made pursuant to Rule 903 or Rule 904, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (2) thereof;

(C) if the transferee will take delivery in the form of a beneficial interest in the IAI Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (3) thereof, and the transferee must furnish to the Registrar a signed letter substantially in the form of Exhibit E; or

(D) if the transfer will be made pursuant to any other exemption from the registration requirements of the Securities Act, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications required by item (4) thereof, if applicable.

(ii) Restricted Definitive Notes to Unrestricted Definitive Notes. Any Restricted Definitive Note may be exchanged by the Holder thereof for an Unrestricted Definitive Note or transferred to a Person or Persons who take delivery thereof in the form of an Unrestricted Definitive Note if:

(A) [Reserved];

(B) [Reserved];

(C) [Reserved];

(D) the Registrar receives the following:

(1) if the Holder of such Restricted Definitive Notes proposes to exchange such Notes for an Unrestricted Definitive Note, a certificate from such Holder substantially in the form of Exhibit C hereto, including the certifications in item (1)(d) thereof; or

(2) if the Holder of such Restricted Definitive Notes proposes to transfer such Notes to a Person who shall take delivery thereof in the form of an Unrestricted Definitive Note, a certificate from such Holder substantially in the form of Exhibit B hereto, including the certifications in item (5) thereof;

and, in each such case set forth in this subparagraph (D), if the Registrar or the Issuer so requests, an Opinion of Counsel in form reasonably acceptable to the Issuer to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

(iii) Unrestricted Definitive Notes to Unrestricted Definitive Notes. A Holder of Unrestricted Definitive Notes may transfer such Notes to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note. Upon receipt of a request to register such a transfer, the Registrar shall register the Unrestricted Definitive Notes pursuant to the instructions from the Holder thereof.

(f) [Reserved].

(g) Legends. The following legends shall appear on the face of all Global Notes and Definitive Notes issued under this Indenture unless specifically stated otherwise in the applicable provisions of this Indenture:

(i) Private Placement Legend.

(A) Except as permitted by subparagraph (B) below, each Global Note and each Definitive Note (and all Notes issued in exchange therefor or substitution thereof) shall bear the legend in substantially the following form:

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS NOTE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION. THE HOLDER OF THIS NOTE, BY ITS ACCEPTANCE HEREOF, AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR ACCOUNT FOR WHICH IT HAS PURCHASED NOTES, TO OFFER, SELL OR OTHERWISE TRANSFER SUCH NOTE, PRIOR TO THE DATE (THE "RESALE

RESTRICTION TERMINATION DATE") THAT IS [IN THE CASE OF RULE 144A NOTES: ONE YEAR AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF, THE ORIGINAL ISSUE DATE OF THE ISSUANCE OF ANY ADDITIONAL NOTES AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS NOTE (OR ANY PREDECESSOR OF SUCH SECURITY)] [IN THE CASE OF REGULATION S NOTES: 40 DAYS AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE DATE ON WHICH THIS NOTE (OR ANY PREDECESSOR OF SUCH NOTE) WAS FIRST OFFERED TO PERSONS OTHER THAN DISTRIBUTORS (AS DEFINED IN RULE 902 OF REGULATION S UNDER THE SECURITIES ACT ("REGULATION S")) IN RELIANCE ON REGULATION S], ONLY (A) TO THE ISSUER OR ANY SUBSIDIARY THEREOF, (B) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT ("RULE 144A"), TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES TO NON-U.S. PERSONS THAT OCCUR OUTSIDE THE UNITED STATES WITHIN THE MEANING OF REGULATION S, (E) TO AN INSTITUTIONAL "ACCREDITED INVESTOR" WITHIN THE MEANING OF RULE 501(a)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT THAT IS NOT A QUALIFIED INSTITUTIONAL BUYER AND THAT IS PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ANOTHER INSTITUTIONAL ACCREDITED INVESTOR, IN EACH CASE IN A MINIMUM PRINCIPAL AMOUNT OF SECURITIES OR (F) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT TO THE ISSUER'S AND THE TRUSTEE'S RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSE (C), (D), (E) OR (F) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/ OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER AFTER THE RESALE RESTRICTION TERMINATION DATE. [IN THE CASE OF REGULATION S NOTES: BY ITS ACQUISITION HEREOF, THE HOLDER HEREOF REPRESENTS THAT IT IS NOT A U.S. PERSON NOR IS IT PURCHASING FOR THE ACCOUNT OF A U.S. PERSON AND IS ACQUIRING THIS NOTE IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH REGULATION S.]

BY ITS ACQUISITION OF THIS NOTE, THE HOLDER THEREOF WILL BE DEEMED TO HAVE REPRESENTED AND WARRANTED THAT EITHER (1) NO PORTION OF THE ASSETS USED BY SUCH HOLDER TO ACQUIRE OR HOLD THIS NOTE CONSTITUTES THE ASSETS OF AN EMPLOYEE BENEFIT PLAN THAT IS SUBJECT TO TITLE I OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), A PLAN, INDIVIDUAL

RETIREMENT ACCOUNT OR OTHER ARRANGEMENT THAT IS SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE") OR PROVISIONS UNDER ANY OTHER FEDERAL, STATE, LOCAL, NON-U.S. OR OTHER LAWS OR REGULATIONS THAT ARE SIMILAR TO SUCH PROVISIONS OF ERISA OR THE CODE (COLLECTIVELY, "SIMILAR LAWS"), OR OF AN ENTITY WHOSE UNDERLYING ASSETS ARE CONSIDERED TO INCLUDE "PLAN ASSETS" OF ANY SUCH EMPLOYEE BENEFIT PLAN, PLAN, ACCOUNT OR ARRANGEMENT, OR (2) THE ACQUISITION AND HOLDING OF THIS NOTE BY SUCH HOLDER WILL NOT CONSTITUTE A NONEXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR A VIOLATION UNDER ANY APPLICABLE SIMILAR LAW, AND NONE OF THE ISSUER, ANY INITIAL PURCHASER, ANY GUARANTOR OR ANY OF THEIR RESPECTIVE AFFILIATES IS ACTING AS ITS FIDUCIARY, OR IS BEING RELIED UPON BY IT FOR ANY INVESTMENT ADVICE, WITH RESPECT TO THE DECISION TO ACQUIRE AND HOLD THIS NOTE.

(B) Notwithstanding the foregoing, any Global Note or Definitive Note issued pursuant to subparagraphs (b)(iv), (c)(iii), (c)(iv), (d)(ii), (d)(iii), (e)(ii), (e)(iii) or (f) of this Section 2.06 (and all Notes issued in exchange therefor or substitution thereof) shall not bear the Private Placement Legend.

(ii) Global Note Legend. Each Global Note shall bear a legend in substantially the following form (with appropriate changes in the last sentence if DTC is not the Depositary):

THIS GLOBAL NOTE IS HELD BY THE DEPOSITARY (AS DEFINED IN THE INDENTURE GOVERNING THIS NOTE) OR ITS NOMINEE IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF, AND IS NOT TRANSFERABLE TO ANY PERSON UNDER ANY CIRCUMSTANCES EXCEPT THAT (I) THE TRUSTEE MAY MAKE SUCH NOTATIONS HEREON AS MAY BE REQUIRED PURSUANT TO SECTION 2.06(h) OF THE INDENTURE, (II) THIS GLOBAL NOTE MAY BE EXCHANGED IN WHOLE BUT NOT IN PART PURSUANT TO SECTION 2.06(a) OF THE INDENTURE, (III) THIS GLOBAL NOTE MAY BE DELIVERED TO THE TRUSTEE FOR CANCELLATION PURSUANT TO SECTION 2.11 OF THE INDENTURE AND (IV) THIS GLOBAL NOTE MAY BE TRANSFERRED TO A SUCCESSOR DEPOSITARY WITH THE PRIOR WRITTEN CONSENT OF THE ISSUER. UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR NOTES IN DEFINITIVE FORM, THIS NOTE MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY. UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (55 WATER STREET, NEW YORK, NEW YORK) ("DTC") TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE

OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR SUCH OTHER ENTITY AS MAY BE 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.

(iii) Regulation S Temporary Global Note Legend. The Regulation S Temporary Global Note shall bear a legend in substantially the following form:

THIS NOTE (OR ITS PREDECESSOR) WAS ORIGINALLY ISSUED IN A TRANSACTION ORIGINALLY EXEMPT FROM REGISTRATION UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND MAY NOT BE TRANSFERRED IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON EXCEPT PURSUANT TO AN AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ALL APPLICABLE STATE SECURITIES LAWS. TERMS USED ABOVE HAVE THE MEANINGS GIVEN TO THEM IN REGULATION S UNDER THE SECURITIES ACT. BY ITS ACQUISITION HEREOF, THE HOLDER HEREOF REPRESENTS THAT IT IS NOT A U.S. PERSON NOR IS IT PURCHASING FOR THE ACCOUNT OF A U.S. PERSON AND IS ACQUIRING THIS SECURITY IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT.

(h) Cancellation and/or Adjustment of Global Notes. At such time as all beneficial interests in a particular Global Note have been exchanged for Definitive Notes or a particular Global Note has been redeemed, repurchased or cancelled in whole and not in part, each such Global Note shall be returned to or retained and cancelled by the Trustee in accordance with Section 2.11 hereof. At any time prior to such cancellation, if any beneficial interest in a Global Note is exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note or for Definitive Notes, the principal amount of Notes represented by such Global Note shall be reduced accordingly and an endorsement shall be made on such Global Note by the Trustee or by the Depositary at the direction of the Trustee to reflect such reduction; and if the beneficial interest is being exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note, such other Global Note shall be increased accordingly and an endorsement shall be made on such Global Note by the Trustee or by the Depositary at the direction of the Trustee to reflect such increase.

(i) General Provisions Relating to Transfers and Exchanges.

(i) To permit registrations of transfers and exchanges, the Issuer shall execute and the Trustee shall authenticate Global Notes and Definitive Notes upon receipt of an Authentication Order in accordance with Section 2.02 hereof or at the Registrar's request.

(ii) No service charge shall be made to a holder of a beneficial interest in a Global Note or to a Holder of a Definitive Note for any registration of transfer or exchange, but the Issuer shall require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection therewith (other than any such transfer taxes or similar governmental charge payable upon exchange or transfer pursuant to Sections 2.07, 2.10, 3.06, 3.09, 4.10, 4.14 and 9.05 hereof).

(iii) The Issuer shall not be required (A) to issue, to register the transfer of or to exchange any Notes during a period beginning at the opening of business 15 days before the mailing of a notice of redemption of the Notes to be redeemed under Section 3.03 hereof and ending at the close of business on the day of such mailing, (B) to register the transfer of or to exchange any Note so selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part, (C) to register the transfer of or to exchange a Note between a Record Date and the next succeeding Interest Payment Date or (D) to register the transfer of or to exchange any Notes tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer, Alternate Offer or an Asset Sale Offer.

(iv) Neither the Registrar nor the Issuer shall be required to register the transfer of or exchange any Note selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part.

(v) All Global Notes and Definitive Notes issued upon any registration of transfer or exchange of Global Notes or Definitive Notes shall be the valid obligations of the Issuer, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Global Notes or Definitive Notes surrendered upon such registration of transfer or exchange.

(vi) Prior to due presentment for the registration of a transfer of any Note, the Trustee, any Agent and the Issuer shall deem and treat the Person in whose name any Note is registered as the absolute owner of such Note for the purpose of receiving payment of principal of (and premium, if any) and interest on such Notes and for all other purposes, and none of the Trustee, any Agent or the Issuer shall be affected by notice to the contrary.

(vii) Upon surrender for registration of transfer of any Note at the office or agency of the Issuer designated pursuant to Section 4.02 hereof, the Issuer shall execute, and the Trustee shall authenticate and mail, in the name of the designated transferee or transferees, one or more replacement Notes of any authorized denomination or denominations of a like aggregate principal amount.

(viii) At the option of the Holder, subject to Section 2.06(a) hereof, Notes may be exchanged for other Notes of any authorized denomination or denominations of a like aggregate principal amount upon surrender of the Notes to be exchanged at such office or agency. Whenever any Global Notes or Definitive Notes are so surrendered for exchange, the Issuer shall execute, and the Trustee shall authenticate and mail, the replacement Global Notes and Definitive Notes to which the Holder making the exchange is entitled in accordance with the provisions of Section 2.02 hereof.

(ix) All certifications, certificates and Opinions of Counsel required to be submitted to the Issuer pursuant to this Section 2.06 to effect a registration of transfer or exchange may be submitted by facsimile or electronically (in ".pdf" format).

(x) The Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture or under applicable law with respect to any transfer of any interest in any Note (including any transfers between or among Depositary Participants or beneficial owners of interests in any Global Notes) other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by the terms of, this Indenture, and to examine the same to determine substantial compliance as to form with the express requirements hereof.

(xi) Neither the Trustee nor any Agent shall have any responsibility or liability for any actions taken or not taken by the Depositary.

SECTION 2.07. Replacement Notes. If either (x) any mutilated Note is surrendered to the Trustee, the Registrar or the Issuer or (y) if the Issuer and the Trustee receive evidence to their satisfaction of the ownership and destruction, loss or theft of any Note, then the Issuer shall issue and the Trustee, upon receipt of an Authentication Order, shall authenticate a replacement Note. An indemnity bond must be supplied by the Holder that is sufficient in the judgment of the Trustee and the Issuer to protect the Issuer, the Trustee, any Agent and any authenticating agent from any loss that any of them may suffer if a Note is replaced. The Issuer and the Trustee shall charge the Holder for their expenses in replacing a Note.

Every replacement Note is a contractual obligation of the Issuer and shall be entitled to all of the benefits of this Indenture equally and proportionately with all other Notes duly issued hereunder.

SECTION 2.08. Outstanding Notes. The Notes outstanding at any time are all the Notes authenticated by the Trustee except for those cancelled by it, those delivered to it for cancellation, those reductions in the interest in a Global Note effected by the Trustee in accordance with the provisions hereof and those described in this Section 2.08 as not outstanding. Except as set forth in Section 2.09 hereof, a Note does not cease to be outstanding because the Issuer or a Guarantor or an Affiliate of the Issuer or a Guarantor holds the Note.

If a Note is replaced pursuant to Section 2.07 hereof, it ceases to be outstanding unless the Trustee receives proof satisfactory to it that the replaced Note is held by a protected purchaser (as defined in Section 8-303 of the Uniform Commercial Code).

If the principal amount of any Note is considered paid under Section 4.01 hereof, it ceases to be outstanding and interest on it ceases to accrue.

If the Paying Agent (other than the Issuer or a Guarantor or an Affiliate of the Issuer or a Guarantor) holds, on a Redemption Date or maturity date, money sufficient to pay Notes (or portions thereof) payable on that date, then on and after that date such Notes (or portions thereof) shall be deemed to be no longer outstanding and shall cease to accrue interest.

SECTION 2.09. Treasury Notes. In determining whether the Holders of the required principal amount of Notes have concurred in any direction, waiver or consent, Notes owned by the Issuer or a Guarantor or by any Affiliate of the Issuer or a Guarantor, shall be considered as though not outstanding, except that for the purposes of determining whether the Trustee shall be protected in relying on any such direction, waiver or consent, only Notes that a Responsible Officer of the Trustee actually knows are so owned shall be so disregarded. Notes so owned which have been pledged in good faith shall not be disregarded if the pledgee establishes to the satisfaction of the Trustee the pledgee's right to deliver any such direction, waiver or consent with respect to such pledged Notes and that the pledgee is not the Issuer or a Guarantor or any Affiliate of the Issuer or a Guarantor.

SECTION 2.10. Temporary Notes. Until certificates representing Notes are ready for delivery, the Issuer may prepare and the Trustee, upon receipt of an Authentication Order, shall authenticate temporary Notes. Temporary Notes shall be substantially in the form of certificated Notes but may have variations that the Issuer considers appropriate for temporary Notes and as shall be reasonably acceptable to the Trustee. Without unreasonable delay, the Issuer shall prepare and the Trustee shall authenticate definitive Notes in exchange for temporary Notes.

Holders and beneficial holders, as the case may be, of temporary Notes shall be entitled to all of the benefits accorded to Holders, or beneficial holders, respectively, of Notes under this Indenture.

SECTION 2.11. Cancellation. The Issuer at any time may deliver Notes to the Trustee for cancellation. The Registrar and Paying Agent shall forward to the Trustee any Notes surrendered to them for registration of transfer, exchange or payment. The Trustee or, at the direction of the Trustee, the Registrar or the Paying Agent and no one else shall cancel all Notes surrendered for registration of transfer, exchange, payment, replacement or cancellation and shall dispose of such cancelled Notes in accordance with its customary procedures (subject to the record retention requirement of the Exchange Act). Certification of the cancellation of all surrendered Notes shall be delivered to the Issuer at the Issuer's written request. The Issuer may not issue new Notes to replace Notes that it has paid or that have been delivered to the Trustee for cancellation.

SECTION 2.12. Defaulted Interest. If the Issuer defaults in a payment of interest on the Notes, it shall pay the defaulted interest in any lawful manner plus, to the extent lawful, interest payable on the defaulted interest, in each case at the rate provided in the Notes and in Section 4.01 hereof. The Issuer may pay the defaulted interest to the Persons who are Holders on a subsequent special record date. The Issuer shall notify the Trustee in writing of the amount of defaulted interest proposed to be paid on each Note and the date of the proposed payment, and at the same time the Issuer shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such defaulted interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such defaulted interest as provided in this Section 2.12. The Trustee shall fix or cause to be fixed

any such special record date and payment date; *provided* that no such special record date shall be less than 10 days prior to the related payment date for such defaulted interest. The Trustee shall promptly notify the Issuer of any such special record date. At least 15 days before any such special record date, the Issuer (or, upon the written request of the Issuer, the Trustee in the name and at the expense of the Issuer) shall mail or cause to be mailed, first-class postage prepaid, or otherwise deliver in accordance with the Applicable Procedures, to each Holder, with a copy to the Trustee, a notice at his or her address as it appears in the Note Register that states the special record date, the related payment date and the amount of such interest to be paid.

Subject to the foregoing provisions of this Section 2.12 and for greater certainty, each Note delivered under this Indenture upon registration of transfer of or in exchange for or in lieu of any other Note shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Note.

SECTION 2.13. CUSIP/ISIN Numbers. The Issuer in issuing the Notes may use CUSIP and ISIN numbers (in each case, if then generally in use) and, if so, the Trustee shall use CUSIP and ISIN numbers in notices of redemption as a convenience to Holders; *provided* that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Notes or as contained in any notice of redemption and that reliance may be placed only on the other identification numbers printed on the Notes, and any such redemption shall not be affected by any defect in or omission of such numbers. The Issuer will as promptly as practicable notify the Trustee in writing of any change in the CUSIP and ISIN numbers.

ARTICLE III

REDEMPTION

SECTION 3.01. Notices to Trustee. If the Issuer elects to redeem the Notes pursuant to Section 3.07 hereof, it shall furnish to the Trustee, at least two Business Days (unless the Trustee agrees to a shorter period) before notice of redemption is required to be delivered to Holders pursuant to Section 3.03 hereof, an Officer's Certificate setting forth (i) the paragraph or subparagraph of such Note and/or Section of this Indenture pursuant to which the redemption shall occur, (ii) the date of redemption, which will be selected by the Issuer in its discretion, subject to any limitations set forth herein (the "Redemption Date"), (iii) the principal amount of the Notes to be redeemed and (iv) the redemption price.

SECTION 3.02. Selection of Notes to Be Redeemed. If less than all of the Notes are to be redeemed at any time, the Trustee shall select the Notes to be redeemed (a) if the Notes are listed on an exchange, in compliance with the requirements of such exchange or (b) if the Notes are not listed on an exchange, on a *pro rata* basis to the extent practicable, or, if a *pro rata* basis is not practicable for any reason, by lot or by such other method as the Trustee deems fair and appropriate and otherwise in accordance with the Applicable Procedures. In the event of partial redemption by lot, the particular Notes to be redeemed shall be selected, unless otherwise provided herein, not less than 10 nor more than 90 days prior to the Redemption Date by the Trustee from the outstanding Notes not previously called for redemption.

The Trustee shall promptly notify the Issuer in writing of the Notes selected for redemption and, in the case of any Note selected for partial redemption, the principal amount thereof to be redeemed. No Notes of $2,000 or less can be redeemed in part, except that if all of the Notes of a Holder are to be redeemed, the entire outstanding amount of Notes held by such Holder shall be redeemed. Except as provided in the preceding sentence, provisions of this Indenture that apply to Notes called for redemption also apply to portions of Notes called for redemption.

SECTION 3.03. Notice of Redemption. Subject to Section 3.09 hereof, the Issuer shall deliver electronically, mail or cause to be mailed by first-class mail, postage prepaid notices of redemption at least 10 days but, except as set forth in Section 3.07(h), not more than 90 days before the Redemption Date to each Holder of Notes to be redeemed at such Holder's registered address or otherwise in accordance with Applicable Procedures, except that redemption notices may be delivered or mailed more than 90 days prior to a Redemption Date if the notice is issued in connection with Article VIII or Article XI hereof.

The notice shall identify the Notes to be redeemed and will state:

(a) the Redemption Date;

(b) the redemption price;

(c) if any Note is to be redeemed or purchased in part only, the portion of the principal amount of that Note that is to be redeemed and that, upon request, after the Redemption Date upon surrender of such Note, a new Note or Notes in principal amount equal to the unredeemed portion of the original Note representing the same indebtedness to the extent not redeemed or purchased will be issued in the name of the Holder upon cancellation of the original Note; *provided* that new Notes will only be issued in denominations of $2,000 and integral multiples of $1,000 in excess of $2,000;

(d) the name and address of the Paying Agent;

(e) that Notes called for redemption must be surrendered to the Paying Agent to collect the redemption price;

(f) that, unless the Issuer defaults in making such redemption payment, interest on Notes called for redemption ceases to accrue on and after the Redemption Date;

(g) the paragraph or subparagraph of the Notes and/or Section of this Indenture pursuant to which the Notes called for redemption are being redeemed;

(h) the CUSIP and ISIN number, if any, printed on the Notes being redeemed and that no representation is made as to the correctness or accuracy of any such CUSIP and ISIN number that is listed in such notice or printed on the Notes; and

(i) if such redemption or purchase is subject to satisfaction of one or more conditions precedent, a description of such conditions and, if applicable, will state that, in the Issuer's discretion, the Redemption Date may be delayed until such time (including more than 90 days after the date the redemption notice was mailed or delivered, including by electronic transmission) as any or all such conditions are satisfied (or waived by the Issuer in its sole discretion), or such redemption or purchase may not occur and such notice may be rescinded or modified in the event that any or all such conditions are not satisfied (or waived by the Issuer in its sole discretion) by the Redemption Date, or by the Redemption Date so delayed, or such notice may be rescinded at any time in the Issuer's discretion if in the good faith judgment of the Issuer any or all of such conditions will not be satisfied.

At the Issuer's request, the Trustee shall give the notice of redemption in the Issuer's name and at its expense*provided* that the Issuer shall have delivered to the Trustee, at least two Business Days before notice of redemption is required to be delivered, mailed or caused to be mailed to Holders pursuant to this Section 3.03 (unless a shorter notice shall be agreed to by the Trustee), an Officer's Certificate requesting that the Trustee give such notice and setting forth the information to be stated in such notice as provided in the preceding paragraph.

The Issuer may redeem Notes pursuant to one or more of the Sections of this Indenture, and a single redemption notice may be delivered with respect to redemptions made pursuant to different Sections. Any such notice may provide that redemptions made pursuant to different Sections will have different Redemption Dates.

The Issuer may provide in such notice that payment of the redemption price and performance of the Issuer's obligations with respect to such redemption may be performed by another Person. If any Notes are listed on an exchange, and the rules of the exchange so require, the Issuer will notify the exchange of any such notice of redemption and the principal amount of any Notes outstanding following any partial redemption of such Notes. In no event will the Trustee be responsible for monitoring, or charged with knowledge of, the maximum aggregate amount of Notes eligible hereunder to be redeemed. Notes will remain outstanding until redeemed, notwithstanding that they have been called for redemption or are subject to a notice of redemption.

SECTION 3.04. Effect of Notice of Redemption. Once notice of redemption is delivered in accordance with Section 3.03 hereof, subject to satisfaction of any conditions precedent relating thereto specified in the applicable notice of redemption, Notes called for redemption become irrevocably due and payable on the Redemption Date at the redemption price, except as set forth in Section 3.03(i). The notice, if delivered, mailed or caused to be mailed in a manner herein provided, shall be conclusively presumed to have been given, whether or not the Holder receives such notice. In any case, failure to deliver such notice or any defect in the notice to the Holder of any Note designated for redemption in whole or in part shall not affect the validity of the proceedings for the redemption of any other Note. Subject to Section 3.05 hereof, on and after the Redemption Date, interest shall cease to accrue on Notes or portions of Notes called for redemption.

SECTION 3.05. Deposit of Redemption Price.

(a) Prior to 11:00 a.m. (New York City time) on the Redemption Date, the Issuer shall deposit with the Trustee or with the Paying Agent money sufficient to pay the redemption price of and accrued and unpaid interest on all Notes to be redeemed on that Redemption Date. The Trustee or the Paying Agent shall promptly return to the Issuer any money deposited with the Trustee or the Paying Agent by the Issuer in excess of the amounts necessary to pay the redemption price of, and accrued and unpaid interest on, all Notes to be redeemed.

(b) If the Issuer complies with the provisions of the preceding paragraph (a), on and after the Redemption Date, interest shall cease to accrue on the Notes or the portions of Notes called for redemption. If a Note is redeemed on or after a Record Date but on or prior to the related Interest Payment Date, then any accrued and unpaid interest to the Redemption Date shall be paid to the Person in whose name such Note was registered at the close of business on such Record Date. If any Note called for redemption shall not be so paid upon surrender for redemption because of the failure of the Issuer to comply with the preceding paragraph, interest shall be paid on the unpaid principal, from the Redemption Date until such principal is paid, and to the extent lawful on any interest accrued to the Redemption Date not paid on such unpaid principal, in each case at the rate provided in the Notes and in Section 4.01 hereof.

SECTION 3.06. Notes Redeemed in Part. Upon surrender of a Definitive Note that is redeemed in part, upon request the Issuer shall issue and the Trustee shall authenticate for the Holder at the expense of the Issuer a new Note equal in principal amount to the unredeemed portion of the Note surrendered representing the same indebtedness to the extent not redeemed; *provided*, that each new Note will be in a principal amount of $2,000 and any integral multiple of $1,000 in excess of $2,000. It is understood that, notwithstanding anything in this Indenture to the contrary, only an Authentication Order and not an Opinion of Counsel or Officer's Certificate is required for the Trustee to authenticate such new Note.

SECTION 3.07. Optional Redemption.

(a) At any time prior to January 15, 2023, the Issuer may, at its option, on one or more occasions redeem all or a part of the Notes, upon notice as described under Section 3.03 hereof, at a redemption price (as calculated by the Issuer) equal to the sum of (i) 100.0% of the principal amount of the Notes redeemed, *plus* (ii) the Applicable Premium calculated as of the date the notice of redemption is given *plus* (iii) accrued and unpaid interest, if any, to, but excluding, the Redemption Date, subject to the right of Holders of record on the relevant Record Date to receive interest due on the relevant Interest Payment Date.

(b) At any time prior to January 15, 2023, the Issuer may, at its option and on one or more occasions, redeem, upon notice as described under Section 3.03 hereof, up to 40.0% of the aggregate principal amount of Notes and Additional Notes issued under this Indenture at a redemption price (as calculated by the Issuer) equal to the sum of (i) 105.750% of the aggregate principal amount thereof, with an amount equal to or less than the cash proceeds less underwriting fees from one or more Equity Offerings to the extent such cash proceeds are received by or contributed to the Issuer, *plus* (ii) accrued and unpaid interest thereon, if any, to, but excluding, the Redemption Date, subject to the right of Holders of record on the relevant Record Date to receive interest due on the relevant Interest Payment Date; *provided*, (A) at least 50.0% of the aggregate principal amount of Notes originally issued under this Indenture on the Issue Date (and excluding any Additional Notes issued under this Indenture after the Issue Date) remains outstanding immediately after the occurrence of each such redemption (except to the extent otherwise repurchased or redeemed (or to be repurchased or redeemed) in accordance with

the terms of this Indenture); (B) that for purposes of calculating the principal amount of the Notes able to be redeemed with such cash proceeds of such Equity Offering or Equity Offerings, such amount shall include the principal amount of the Notes to be redeemed plus the premium on such Notes to be redeemed; and (C) each such redemption occurs within 180 days of the date of closing of each such Equity Offering or contribution.

(c) In connection with any tender offer or other offer to purchase the Notes (including a Change of Control Offer, Alternate Offer or Asset Sale Offer), if Holders of not less than 90% of the aggregate principal amount of the then outstanding Notes validly tender and do not withdraw such Notes in such offer and the Issuer, or any third party making such offer in lieu of the Issuer, purchases all of the Notes validly tendered and not withdrawn by such Holders, all of the Holders will be deemed to have consented to such tender offer or other offer to purchase and, accordingly, the Issuer or such third party will have the right upon notice, given not more than 90 days following such purchase date, to redeem all Notes that remain outstanding following such purchase at a price equal to the price offered to each other Holder in such tender offer or other offer to purchase (which may be less than par and shall exclude any early tender premium and any accrued and unpaid interest paid to any Holder in such offer payment), *plus*, to the extent not included in the offer payment, accrued and unpaid interest, if any, thereon, to, but excluding, the Redemption Date.

(d) Except pursuant to clause (a), (b) or (c) of this Section 3.07, the Notes will not be redeemable at the Issuer's option prior to January 15, 2023.

(e) On and after January 15, 2023, the Issuer may, at its option redeem the Notes, in whole or in part, on one or more occasions, upon notice as described under Section 3.03 hereof, at the redemption prices (expressed as percentages of principal amount of the Notes to be redeemed) set forth below, plus accrued and unpaid interest, if any, to, but excluding, the Redemption Date, subject to the right of Holders of record on the relevant Record Date to receive interest due on the relevant Interest Payment Date, if redeemed during the twelve-month period beginning on January 15 of each of the years indicated below:

Year	Percentage
2023	102.875%
2024	101.438%
2025 and thereafter	100.000%

(f) Any redemption pursuant to this Section 3.07 shall be made pursuant to the provisions of Sections 3.01 through 3.06 hereof.

(g) In addition to any redemption pursuant to this Section 3.07, the Issuer or its Affiliates may at any time and from time to time acquire Notes by means other than a redemption or offer to purchase, whether by tender offer, in the open market, negotiated transaction or otherwise.

(h) Any notice of redemption made in connection with a related transaction or event (including an Equity Offering, contribution, Change of Control, Asset Sale or other transaction) may, at the Issuer's discretion, be given prior to the completion or the occurrence thereof, and any such redemption or notice may, at the Issuer's discretion, be subject to one or more conditions precedent, including, but not limited to, the completion or occurrence of the related transaction or event, as the case may be.

SECTION 3.08. Mandatory Redemption. The Issuer will not be required to make any mandatory redemption or sinking fund payments with respect to the Notes.

SECTION 3.09. Offers to Repurchase by Application of Excess Proceeds.

(a) In the event that, pursuant to Section 4.10 hereof, the Issuer shall be required to commence an Asset Sale Offer, it shall follow the procedures specified below.

(b) The Asset Sale Offer shall remain open for a period of 10 Business Days following its commencement and no longer, except to the extent that a longer period is required by applicable law (the "Offer Period"). No later than five Business Days after the termination of the Offer Period (the "Purchase Date"), the Issuer shall apply all Excess Proceeds (or in the case of an Advance Offer, the Advance Portion) (the "Offer Amount") to the purchase of Notes and, if required, other First Lien Obligations and Pari Passu Indebtedness (on a *pro rata* basis, if applicable), or, if less than the Offer Amount has been tendered, all Notes, other First Lien Obligations and Pari Passu Indebtedness tendered in response to the Asset Sale Offer, in each case in accordance with Section 4.10 hereof. Payment for any Notes so purchased shall be made in the same manner as interest payments are made.

(c) If the Purchase Date is on or after a Record Date and on or before the related Interest Payment Date, any accrued and unpaid interest, up to but excluding the Purchase Date, shall be paid to the Person in whose name a Note is registered at the close of business on such Record Date, and no additional interest shall be payable to Holders who tender Notes pursuant to the Asset Sale Offer.

(d) Upon the commencement of an Asset Sale Offer, the Issuer shall deliver electronically or send, by first-class mail, postage prepaid, a notice to each of the Holders, with a copy to the Trustee. The notice shall contain all instructions and materials necessary to enable such Holders to tender Notes pursuant to the Asset Sale Offer. The Asset Sale Offer shall be made to all Holders and holders of such other First Lien Obligations and Pari Passu Indebtedness in accordance with Section 4.10 hereof. The notice, which shall govern the terms of the Asset Sale Offer, shall state:

(i) that the Asset Sale Offer is being made pursuant to this Section 3.09 and Section 4.10 hereof and the length of time the Asset Sale Offer shall remain open;

(ii) the Offer Amount, the purchase price and the Purchase Date;

(iii) that any Note not tendered or accepted for payment shall continue to accrue interest;

(iv) that, unless the Issuer defaults in making such payment, any Note accepted for payment pursuant to the Asset Sale Offer shall cease to accrue interest on and after the Purchase Date;

(v) that any Holder electing to have less than all of the aggregate principal amount of its Notes purchased pursuant to an Asset Sale Offer may elect to have Notes purchased in an amount not less than $2,000 and integral multiples of $1,000 in excess thereof;

(vi) that Holders electing to have a Note purchased pursuant to any Asset Sale Offer shall be required to surrender the Note, with the form entitled "Option of Holder to Elect Purchase" attached to the Note completed, or transfer such Note by book-entry transfer, to the Issuer, the Depositary, if appointed by the Issuer, or a Paying Agent at the address specified in the notice at least two Business Days before the Purchase Date;

(vii) that Holders shall be entitled to withdraw their election if the Issuer, the Depositary or the Paying Agent, as the case may be, receives, not later than the expiration of the Offer Period, a facsimile transmission or letter setting forth the name of the Holder, the principal amount of the Note the Holder delivered for purchase and a statement that such Holder is withdrawing its election to have such Note purchased;

(viii) that, if the aggregate principal amount (or accreted value, as applicable) of Notes and/or the other First Lien Obligations or Pari Passu Indebtedness, as applicable, surrendered by the holders thereof exceeds the Offer Amount, the Trustee will select the Notes to be purchased in accordance with Section 3.02 and the Issuer (or the agents or trustees of such other First Lien Obligations or Pari Passu Indebtedness, as applicable) will select such other First Lien Obligations or Pari Passu Indebtedness, as applicable, to be purchased pursuant to the terms of such other First Lien Obligations or Pari Passu Indebtedness, as applicable; *provided*, as between the Notes, any other First Lien Obligations and any other Pari Passu Indebtedness, as applicable, such purchases will be made on a *pro rata* basis based on the accreted value or principal amount of the Notes, such other First Lien Obligations and such other Pari Passu Indebtedness, as applicable, tendered with adjustments as necessary so that no Notes, other First Lien Obligations or other Pari Passu Indebtedness, as applicable will be repurchased in part in an unauthorized denomination; and

(ix) that Holders whose certificated Notes were purchased only in part shall be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered (or transferred by book-entry transfer) representing the same indebtedness to the extent not repurchased.

(e) On or before the Purchase Date, the Issuer shall, to the extent lawful, (1) accept for payment, on a*pro rata* basis as described in clause (d)(viii) of this Section 3.09, the Offer Amount of Notes or portions thereof validly tendered pursuant to the Asset Sale Offer, or if less than the Offer Amount has been tendered, all Notes tendered and (2) deliver or cause to be delivered to the Trustee the Notes properly accepted, together with an Officer's Certificate stating the aggregate principal amount of Notes or portions thereof so tendered.

(f) The Issuer, the Depositary or the Paying Agent, as the case may be, shall promptly mail or deliver to each tendering Holder an amount equal to the purchase price of the Notes properly tendered by such Holder and accepted by the Issuer for purchase, and the Issuer shall promptly issue a new Note, and the Trustee, upon receipt of an Authentication Order, shall authenticate and mail or deliver (or cause to be transferred by book-entry) such new Note to such Holder (it being understood that, notwithstanding anything in this Indenture to the contrary, no Opinion of Counsel or Officer's Certificate is required for the Trustee to authenticate and mail or deliver such new Note) in a principal amount equal to any unpurchased portion of the Note surrendered representing the same indebtedness to the extent not repurchased. Any Note not so accepted shall be promptly mailed or delivered by the Issuer to the Holder thereof. The Issuer shall publicly announce the results of the Asset Sale Offer on or as soon as practicable after the Purchase Date.

(g) Prior to 11:00 a.m. (New York City time) on the Purchase Date, the Issuer shall deposit with the Trustee or with the Paying Agent money sufficient to pay the purchase price of and accrued and unpaid interest on all Notes to be purchased on that purchase date. The Trustee or the Paying Agent shall promptly return to the Issuer any money deposited with the Trustee or the Paying Agent by the Issuer in excess of the amounts necessary to pay the purchase price of, and accrued and unpaid interest on, all Notes to be redeemed.

Other than as specifically provided in this Section 3.09 or Section 4.10 hereof, any purchase pursuant to this Section 3.09 shall be made pursuant to the applicable provisions of Sections 3.01 through 3.06 hereof, and references therein to "redeem," "redemption," "Redemption Date" and similar words shall be deemed to refer to "purchase," "repurchase," "Purchase Date" and similar words, as applicable.

ARTICLE IV

COVENANTS

SECTION 4.01. Payment of Notes. The Issuer shall pay or cause to be paid the principal of, premium, if any, and interest on the Notes on the dates and in the manner provided in the Notes and this Indenture. Principal, premium, if any, and interest shall be considered paid on the date due if the Paying Agent, if other than the Issuer or a Guarantor or an Affiliate of the Issuer or a Guarantor, holds as of 11:00 a.m. New York City time on the due date money deposited by the Issuer in immediately available funds and designated for and sufficient to pay all principal, premium, if any, and interest then due.

The Issuer shall pay interest (including post-petition interest in any proceeding under any Debtor Relief Laws) on overdue principal at the rate equal to the then applicable interest rate on the Notes to the extent lawful; the Issuer shall pay interest (including post-petition interest in any proceeding under any Debtor Relief Laws) on overdue installments of interest (without regard to any applicable grace period) at the same rate to the extent lawful.

SECTION 4.02. Maintenance of Office or Agency. The Issuer shall maintain the offices or agencies (which may be an office of the Trustee or an affiliate of the Trustee, Registrar or Transfer Agent) required under Section 2.03 hereof where Notes may be surrendered for registration of transfer or for exchange or presented for payment and where notices and demands to or upon the Issuer in respect of the Notes and this Indenture may be served. The Issuer shall give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Issuer shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee.

The Issuer may also from time to time designate one or more other offices or agencies where the Notes may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; *provided* that no such designation or rescission shall in any manner relieve the Issuer of its obligation to maintain such offices or agencies as required by Section 2.03 hereof for such purposes. The Issuer shall give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

The Issuer hereby designates the Corporate Trust Office of the Trustee as one such office or agency of the Issuer in accordance with Section 2.03 hereof.

SECTION 4.03. Reports and Other Information.

(a) So long as any Notes are outstanding, the Issuer will furnish to the Holders:

(i) (A) all annual and quarterly financial statements of the Issuer substantially in the forms that would be required to be contained in a filing with the SEC on Forms 10-K and 10-Q (solely with respect to the first three fiscal quarters of each fiscal year), if the Issuer were required to file such forms on the Issue Date, and a "Management's Discussion and Analysis of Financial Condition and Results of Operations" and (B) with respect to the annual financial statements only, a report on the annual financial statements by the Issuer's independent registered public accounting firm; and

(ii) promptly from time to time after the occurrence of an event required to be therein reported, such other information containing substantially the same information that would be required to be contained in filings with the SEC on Form 8-K under Items: 1.03 (*Bankruptcy or Receivership*); 2.01 (*Completion of Acquisition or Disposition of Assets*); 2.03 (*Creation of a Direct Financial Obligation or an Obligation under anOff-Balance Sheet Arrangement of a Registrant*); 4.02 (*Non-Reliance on Previously Issued Financial Statements or a Related Audit Report or Completed Interim Review*); 5.01 (*Changes in Control of Registrant*); 5.02(a)(1) (*Resignation of Director due to Disagreement with Registrant*); 5.02(c)(1) (*Name and Position of Newly Appointed Officer and Date of Appointment*); and 5.03(b) (*Changes in Fiscal Year*), each as in effect on the Issue Date if the Issuer were required to file such reports;

provided, *however*,

(1) no such current report will be required to include as an exhibit or summary of terms of, any employment or compensatory arrangement agreement, plan or understanding between the Issuer (or any of its Subsidiaries or any Parent Company) and any director, manager or executive officer, of the Issuer (or any of its Subsidiaries or any Parent Company);

(2) in no event will such reports be required to comply with Section 302, Section 404 or Section 906 of the Sarbanes-Oxley Act of 2002, or related Items 307, 308 and 308T of Regulation S-K;

(3) in no event will such reports be required to comply with Rule 3-10 of Regulation S-X promulgated by the SEC or contain separate financial statements for the Issuer, the Guarantors or other Subsidiaries the shares of which may be pledged to secure the Notes or any Guarantee that would be required under (A) Section 3-09 of Regulation S-X or (B) Section 3-16 of Regulation S-X, respectively, promulgated by the SEC;

(4) in no event will such reports be required to comply with Regulation G under the Exchange Act or Item 10(e) of Regulation S-K promulgated by the SEC with respect to any non-GAAP financial measures contained therein;

(5) no such reports referenced under clause (ii) above will be required to be furnished if the Issuer determines in its good faith judgment that such event is not material to the Holders or the business, assets, operations or financial position of the Issuer and its Restricted Subsidiaries, taken as a whole;

(6) in no event will reports referenced in clause (i) or (ii) above be required to include as an exhibit copies of any agreements, financial statements or other items that would be required to be filed as exhibits to an annual report on Form 10-K, a quarterly report on Form 10-Q or a current report on Form 8-K;

(7) in no event will reports delivered prior to the completion of the first full fiscal year following the Issue Date be required to comply with Regulation S-X of the SEC, give *pro forma* effect to the Transactions or the Refinancing Transactions;

(8) trade secrets and other confidential information that is competitively sensitive in the good faith and reasonable determination of the Issuer may be excluded from any disclosures; and

(9) if at any time the Issuer or any Parent Company of the Issuer or a Qualified Reporting Subsidiary has made a good faith determination to file a registration statement with the SEC with respect to an Equity Offering of such entity's Equity Interests, the Issuer will still be required to provide reports pursuant to this Section 4.03 but the content of such reports will not be required to disclose any information that, in the good faith view of the Issuer or a Parent Company of the Issuer, would violate the securities laws or the SEC's "gun jumping" rules or otherwise have an adverse effect on such Equity Offering.

(b) All such annual reports will be furnished within 120 days after the end of the fiscal year to which they relate, and all such quarterly reports will be furnished within 60 days after the end of the fiscal quarter to which they relate. The financial statements required to be provided under this Section 4.03 may be prepared pursuant to GAAP as in effect from time to time.

(c) Notwithstanding anything herein to the contrary, the Issuer will not be deemed to have failed to comply with any of its obligations under this Section 4.03 for purposes of Section 6.01(c) hereof until 180 days after the date any report is due under this Section 4.03.

(d) The Issuer will make available such information and such reports to the Trustee under this Indenture, to any Holder and, upon request, to any beneficial owner of the Notes, in each case by posting such information on the website of the Issuer or any Parent Company, on Intralinks or any comparable password-protected online data system that will require a confidentiality acknowledgment, and will make such information readily available to any Holder, any bona fide prospective investor in the Notes (which prospective investors will be limited to "qualified institutional buyers" within the meaning of Rule 144A of the Securities Act that certify their status as such to the reasonable satisfaction of the Issuer), any bona fide securities analyst (to the extent providing analysis of investment in the Notes to investors and prospective investors therein) or any bona fide market maker in the Notes who agrees to treat such information as confidential or accesses such information on Intralinks or any comparable password-protected online data system that will require a confidentiality acknowledgment; *provided*, the Issuer will post such information thereon and make readily available any password or other login information to any such Holder, prospective investor, securities analyst or market maker; provided, further, however, the Issuer may deny access to any competitively-sensitive information otherwise to be provided pursuant to this paragraph to any such Holder, prospective investor, security analyst or market maker that is a competitor of the Issuer and its Subsidiaries, or an affiliate of such a competitor (other than any affiliate that is a bona fide bank debt fund, distressed asset fund, hedge fund, mutual fund, insurance company, financial institution or investment vehicle engaged in the business of investing in, acquiring or trading commercial loans, bonds and similar extensions of credit in the ordinary course (and not organized primarily for the purpose of making equity investments)) to the extent that the Issuer determines in good faith that the provision of such information to such Person would be competitively harmful to the Issuer and its Subsidiaries; and *provided*, *further*, that such Holders, prospective investors, security analysts or market makers will agree to (1) treat all such reports (and the information contained therein) and information as confidential, (2) not use such reports and the information contained therein for any purpose other than their investment or potential investment in the Notes and (3) not publicly disclose or distribute to any competitor any such reports (and the information contained therein).

(e) The Issuer will be deemed to have furnished the reports in Sections 4.03(a)(i) and (ii) if the Issuer, any Qualified Reporting Subsidiary or any Parent Company has filed reports containing such information with the SEC.

(f) To the extent any information is not provided within the time periods specified in this Section 4.03 and such information is subsequently provided, the Issuer will be deemed to have satisfied its obligations with respect thereto at such time and any Default with respect thereto will be deemed to have been cured.

(g) The Issuer shall use its commercially reasonable efforts, consistent with its judgment as to what is prudent at the time, to participate in quarterly conference calls (which may be a single conference call together with investors holding other securities or Indebtedness of the Issuer and/or its Restricted Subsidiaries and/or any Parent Company of the Issuer and may be held prior to such time that the annual or quarterly information and reports required by Section 4.03(a) are furnished to Holders) to discuss operating results and related matters. The Issuer shall issue a press release or post to the website of the Issuer or any Parent Company or on Intralinks or any comparable password protected online data system, which will provide the date and time of any such call and information on how to obtain access to the conference call or will direct Holders, prospective investors and securities analysts to contact the investor relations office of the Issuer to obtain access to the conference call.

(h) Notwithstanding the foregoing, the financial statements, information, auditors' reports and other documents and information required to be provided pursuant to Section 4.03(a) may be, rather those of the Issuer, those of (i) any predecessor or successor of the Issuer or any entity meeting the requirements of Section 4.03(h)(ii) or (iii), (ii) any Wholly-Owned Restricted Subsidiary of the Issuer that, together with its consolidated Subsidiaries, constitutes substantially all of the assets of the Issuer and its consolidated Subsidiaries ("Qualified Reporting Subsidiary") or (iii) any Parent Company of the Issuer; *provided* that, if the financial information required to be provided pursuant to clause (i) or (ii) of Section 4.03(a) relates to such Qualified Reporting Subsidiary of the Issuer or such Parent Company of the Issuer that has Independent Assets and Operations and there are material differences between the financial information of the Issuer and such Qualified Reporting Subsidiary of the Issuer or such Parent Company of the Issuer that has Independent Assets and Operations, such financial information will be accompanied by consolidating information, which may be posted to the website of the Issuer or any Parent Company or on Intralinks or any comparable password protected online data system or otherwise provided in accordance with Section 4.03(d), that explains in reasonable detail (in the good faith judgment of the Issuer) the material differences between the information relating to such Qualified Reporting Subsidiary or such Parent Company (as the case may be), on the one hand, and the information relating to the Issuer and its Subsidiaries on a standalone basis, on the other hand. For the avoidance of doubt, the consolidating information referred to in the proviso in the preceding sentence need not be audited or reviewed.

(i) It is understood that the Trustee shall have no obligation whatsoever to determine whether or not such information, documents or reports have been posted on the Issuer's website. The posting or delivery of any such information, documents and reports to the Trustee is for informational purposes only and the Trustee's receipt of such information, documents and reports shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Issuer's compliance with any of the covenants under this Indenture (as to which the Trustee is entitled to rely exclusively on an Officer's Certificate). The Trustee shall have no duty to review or analyze reports, information and documents delivered to it. Additionally, the Trustee shall not be obligated to monitor or confirm, on a continuing basis or otherwise, the Issuer's compliance with the covenants or with respect to any reports or other documents filed with any protected online data system, or participate on any conference calls.

SECTION 4.04. Compliance Certificate.

(a) The Issuer shall deliver to the Trustee, within 90 days after the end of each fiscal year (beginning with the fiscal year ending December 31, 2021) ending after the Issue Date, a certificate from the principal executive officer, principal financial officer or principal accounting officer stating that a review of the activities of the Issuer and its Restricted Subsidiaries during the preceding fiscal year has been made under the supervision of the signing Officer with a view to determining whether the Issuer has kept, observed, performed and fulfilled its obligations under this Indenture, and further stating, as to such Officer signing such certificate, that to the best of his or her knowledge the Issuer has kept, observed, performed and fulfilled each and every condition and covenant contained in this Indenture during such fiscal year and is not in Default in the performance or observance of any of the terms, provisions, covenants and conditions of this Indenture (or, if a Default shall have occurred, describing all such Defaults of which he or she may have knowledge and what action the Issuer is taking or proposes to take with respect thereto).

(b) When any Default has occurred and is continuing under this Indenture, or if the Trustee or the holder of any other evidence of Indebtedness of the Issuer or any Subsidiary gives any notice or takes any other action with respect to a claimed Default, the Issuer shall promptly (which shall be no more than thirty (30) days after becoming aware of such Default, unless such Default has been cured, waived or is no longer continuing within such 30-day period) deliver to the Trustee by registered or certified mail or by facsimile transmission an Officer's Certificate specifying such event and what action the Issuer proposes to take with respect thereto.

SECTION 4.05. Taxes. The Issuer shall pay or discharge, and shall cause each of its Restricted Subsidiaries to pay or discharge, prior to delinquency, all material taxes, lawful assessments, and governmental levies except such as are contested in good faith and by appropriate actions or where the failure to effect such payment or discharge is not adverse in any material respect to the Holders.

SECTION 4.06. Stay, Extension and Usury Laws. The Issuer and each of the Guarantors covenant (to the extent that they may lawfully do so) that they shall not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of this Indenture; and the Issuer and each of the Guarantors (to the extent that they may lawfully do so) hereby expressly waive all benefit or advantage of any such law, and covenant (to the extent that they may lawfully do so) that they shall not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Trustee, but shall suffer and permit the execution of every such power as though no such law has been enacted.

SECTION 4.07. Limitation on Restricted Payments.

(a) The Issuer will not, and will not permit any of its Restricted Subsidiaries, directly or indirectly, to:

(i) declare or pay any dividend or make any payment or distribution on account of the Issuer's or any Restricted Subsidiary's Equity Interests (in each case, solely in such Person's capacity as holder of such Equity Interests), including any dividend or distribution payable in connection with any merger, amalgamation or consolidation other than:

(A) dividends, payments or distributions payable solely in Equity Interests (other than Disqualified Stock) of the Issuer or a Parent Company or in options, warrants or other rights to purchase such Equity Interests; or

(B) dividends, payments or distributions by a Restricted Subsidiary so long as, in the case of any dividend, payment or distribution payable on or in respect of any class or series of securities issued by a Restricted Subsidiary other than a Wholly-Owned Subsidiary, the Issuer or a Restricted Subsidiary receives at least its *pro rata* share of such dividend, payment or distribution in accordance with its Equity Interests in such class or series of securities or such other amount to which it is entitled pursuant to the terms of such Equity Interest;

(ii) purchase, redeem, defease or otherwise acquire or retire for value any Equity Interests of the Issuer or any Parent Company, including in connection with any merger, amalgamation or consolidation, in each case held by Persons other than the Issuer or a Restricted Subsidiary;

(iii) make any principal payment on, or redeem, repurchase, defease or otherwise acquire or retire for value, in each case, prior to any scheduled repayment, sinking fund payment or final maturity, any Subordinated Indebtedness, other than:

(A) Indebtedness permitted under clauses (vii), (viii) and (ix) of Section 4.09(b); or

(B) the payment, redemption, repurchase, defeasance, acquisition or retirement for value of Subordinated Indebtedness purchased in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of such payment, redemption, repurchase, defeasance, acquisition or retirement; or

(iv) make any Restricted Investment;

(all such payments and other actions set forth in clauses (i) through (iv) above being collectively referred to as "Restricted Payments"), unless, at the time of and immediately after giving effect to such Restricted Payment:

(A) in the case of a Restricted Payment other than a Restricted Investment, no Event of Default will have occurred and be continuing or would occur as a consequence thereof and, in the case of a Restricted Investment utilizing clause (C)(7) below, no Event of Default described in Section 6.01(a), 6.01(b), 6.01(f) or 6.01(g) will have occurred and be continuing or would occur as a consequence thereof;

(B) except in the case of a Restricted Investment, immediately after giving effect to any such Restricted Payment made pursuant to clause (C)(1) below on a *pro forma* basis, the Issuer could incur $1.00 of additional Indebtedness pursuant to either the Fixed Charge Coverage Ratio test set forth in Section 4.09(a) (the "Fixed Charge Coverage Test") or the Total Net Leverage Ratio test set forth in Section 4.09(b)(xxxi) (the "Total Net Leverage Ratio Test"); and

(C) such Restricted Payment, together with the aggregate amount of all other Restricted Payments (including the fair market value of any non-cash amount) made by the Issuer and its Restricted Subsidiaries after June 10, 2015 (excluding Restricted Payments permitted by Section 4.07(b), other than Section 4.07(b)(i)), is less than the sum of (without duplication):

(1) 50.0% of the Consolidated Net Income of the Issuer for the period (taken as one accounting period) beginning on June 10, 2015 to the end of the most recently ended Test Period preceding such Restricted Payment, or, in the case such Consolidated Net Income for such period is a deficit, *minus* 100.0% of such deficit (which amount in this clause (1) will be deemed to be not less than zero for such period); *plus*

(2) 100.0% of the aggregate net cash proceeds and the fair market value of marketable securities or other property received by the Issuer and its Restricted Subsidiaries since June 10, 2015 (other than net cash proceeds to the extent such net cash proceeds have been used to incur Indebtedness or issue Disqualified Stock or Preferred Stock pursuant to Section 4.09(b)(xii)(A) hereof) from the issue or sale of:

(I) (a) Equity Interests of the Issuer (other than any Permitted Warrant Transaction), including Treasury Capital Stock, but excluding cash proceeds and the fair market value of marketable securities or other property received from the sale of:

(i) Equity Interests to any future, present or former employees, directors, officers, members of management or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members or any permitted transferees thereof) of the Issuer, its Subsidiaries or any Parent Company after June 10, 2015 to the extent such amounts have been applied to Restricted Payments made in accordance with Section 4.07(b)(iv); and

(ii) Designated Preferred Stock; and

(b) Equity Interests of Parent Companies (other than any Permitted Warrant Transaction) to the extent the proceeds of any such issuance or consideration for any such sale are contributed to the Issuer (excluding contributions of the proceeds from the sale of Designated Preferred Stock of such companies or contributions to the extent such amounts have been applied to Restricted Payments made in accordance with Section 4.07(b)(iv)); or

(II) Indebtedness of the Issuer or any Restricted Subsidiary, that has been converted into or exchanged for Equity Interests of the Issuer or any Parent Company;

provided, that this clause (C)(2) will not include the proceeds from (W) Refunding Capital Stock (as defined herein) applied in accordance with Section 4.07(b)(ii), (X) Equity Interests or convertible debt securities of the Issuer sold to a Restricted Subsidiary, (Y) Disqualified Stock or debt securities that have been converted into Disqualified Stock or (Z) Excluded Contributions; *plus*

(3) 100.0% of the aggregate amount of cash, Cash Equivalents and the fair market value of marketable securities or other property contributed to the capital of the Issuer following June 10, 2015 (including the fair market value of any Indebtedness contributed to the Issuer or its Restricted Subsidiaries for cancellation) or that becomes part of the capital of the Issuer through consolidation, amalgamation or merger following June 10, 2015, in each case not involving cash consideration payable by the Issuer (other than (X) net cash proceeds to the extent such net cash proceeds have been used to incur Indebtedness or issue Disqualified Stock or Preferred Stock pursuant to Section 4.09(b)(xii)(A), (Y) cash, Cash Equivalents and marketable securities or other property that are contributed by a Restricted Subsidiary or (Z) Excluded Contributions); *plus*

(4) 100.0% of the aggregate amount received in cash and the fair market value of marketable securities or other property received by the Issuer or a Restricted Subsidiary by means of:

(I) the sale or other disposition (other than to the Issuer or a Restricted Subsidiary) of, or other returns on Investments from, Restricted Investments made by the Issuer or its Restricted Subsidiaries (including cash distributions and cash interest received in respect of Restricted Investments) and repurchases and redemptions of such Restricted Investments from the Issuer or its Restricted Subsidiaries (other than by the Issuer or a Restricted Subsidiary) and repayments of loans or advances, and releases of guarantees, which constitute Restricted Investments made by the Issuer or its Restricted Subsidiaries, in each case after June 10, 2015 (excluding any Excluded Contributions made pursuant to clause (2) of the definition thereof); or

(II) the sale (other than to the Issuer or a Restricted Subsidiary) of Equity Interests of an Unrestricted Subsidiary or a distribution from an Unrestricted Subsidiary (other than, in each case, to the extent the Investment in such Unrestricted Subsidiary constituted a Permitted Investment, but including such cash or fair market value to the extent exceeding the amount of such Permitted Investment) or a dividend from an Unrestricted Subsidiary after June 10, 2015 (excluding any Excluded Contributions made pursuant to clause (2) of the definition thereof); *plus*

(5) in the case of the redesignation of an Unrestricted Subsidiary as a Restricted Subsidiary or the merger, amalgamation or consolidation of an Unrestricted Subsidiary into the Issuer or a Restricted Subsidiary or the transfer of all or substantially all of the assets of an Unrestricted Subsidiary to the Issuer or a Restricted Subsidiary after June 10, 2015, the fair market value of the Investment in such Unrestricted Subsidiary (or the assets transferred) at the time of the redesignation of such Unrestricted Subsidiary as a Restricted Subsidiary or at the time of such merger, amalgamation, consolidation or transfer of assets, other than to the extent the Investment in such Unrestricted Subsidiary constituted a Permitted Investment, but, to the extent exceeding the amount of such Permitted Investment, including such excess amounts of cash or fair market value; *plus*

(6) 100% of the aggregate amount of Declined Excess Proceeds; *plus*

(7) $100.0 million.

(b) Section 4.07(a) will not prohibit:

(i) the payment of any dividend or other distribution or the consummation of any irrevocable redemption within 60 days after the date of declaration of the dividend or other distribution or giving of the redemption notice, as the case may be, if at the date of declaration or notice, the dividend or other distribution or redemption payment would have complied with the provisions of this Indenture;

(ii) (A) the redemption, repurchase, defeasance, discharge, retirement or other acquisition of (1) any Equity Interests of the Issuer or any Restricted Subsidiary or any Parent Company, including any accrued and unpaid dividends thereon ("Treasury Capital Stock"), or (2) Subordinated Indebtedness, in each case, made (x) in exchange for, or out of the proceeds of, a sale or issuance (other than to a Restricted Subsidiary) of Equity Interests of the Issuer or any Parent Company (to the extent such Equity Interests or proceeds therefrom are contributed to the Issuer) (in each case, other than Disqualified Stock), and (y) within 120 days of such sale or issuance ("Refunding Capital Stock"), (B) the declaration and payment of dividends on Treasury Capital Stock out of the proceeds of a sale or issuance (other than to a Restricted Subsidiary of the Issuer or to an employee stock ownership plan or any trust established by the Issuer or any Restricted Subsidiary) of Refunding Capital Stock made within 120 days of such sale or issuance, and (C) if, immediately prior to the retirement of Treasury Capital Stock, the declaration and

payment of dividends thereon by the Issuer were permitted under clause (vi)(A) or (B) of this Section 4.07(b), the declaration and payment of dividends on the Refunding Capital Stock (other than Refunding Capital Stock the proceeds of which were used to redeem, repurchase, retire or otherwise acquire any Equity Interests of any Parent Company) in an aggregate amount per annum no greater than the aggregate amount of dividends per annum that were declarable and payable on such Treasury Capital Stock immediately prior to such retirement;

(iii) the principal payment on, defeasance, redemption, repurchase, exchange or other acquisition or retirement of (A) Subordinated Indebtedness of the Issuer or a Guarantor made (1) by exchange for, or out of the proceeds of the sale, issuance or incurrence of, new Indebtedness of the Issuer or a Guarantor or Disqualified Stock of the Issuer or a Guarantor and (2) within 120 days of such sale, issuance or incurrence, (B) Disqualified Stock of the Issuer or a Guarantor made by exchange for, or out of the proceeds of the sale, issuance or incurrence of, Disqualified Stock or Subordinated Indebtedness of the Issuer or a Guarantor, made within 120 days of such sale, issuance or incurrence, (C) Disqualified Stock of a Restricted Subsidiary that is not a Guarantor made by exchange for, or out of the proceeds of the sale or issuance of, Disqualified Stock of a Restricted Subsidiary that is not a Guarantor made within 120 days of such sale or issuance that, in each case, is Refinancing Indebtedness incurred or issued, as applicable, in compliance with Section 4.09 and (D) any Subordinated Indebtedness or Disqualified Stock that constitutes Acquired Indebtedness;

(iv) a Restricted Payment to pay for the repurchase, retirement or other acquisition or retirement for value of Equity Interests (other than Disqualified Stock) (including related stock appreciation rights or similar securities) of the Issuer or any Parent Company held by any future, present or former employee, director, officer, member of management or consultant (or their respective Controlled Investment Affiliates or Immediate Family Members or any permitted transferees thereof) of the Issuer, any of its Subsidiaries or any Parent Company pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or agreement, or any equity subscription or equity holder agreement (including, for the avoidance of doubt, any principal and interest payable on any notes issued by the Issuer or any Parent Company in connection with any such repurchase, retirement or other acquisition), including Equity Interests rolled over by management of the Issuer, any of its Subsidiaries or any Parent Company in connection with the Transactions; *provided*, the aggregate amount of Restricted Payments made under this clause (iv) does not exceed $35.0 million in any calendar year (increasing to $60.0 million following an underwritten public Equity Offering by the Issuer or any Parent Company) with unused amounts in any calendar year being carried over to succeeding calendar years beginning with the calendar year ending December 31, 2015 as if this clause were in effect beginning with such calendar year; *provided, further*, such amount in any calendar year under this clause (iv) may be increased by an amount not to exceed:

(A) the cash proceeds from the sale of Equity Interests (other than Disqualified Stock) of the Issuer and, to the extent contributed to the Issuer, the cash proceeds from the sale of Equity Interests of any Parent Company, in each case to any future, present or former employees, directors, officers, members of management or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members or any permitted transferees thereof) of the Issuer, any of its Subsidiaries or any Parent Company that occurs after June 10, 2015, to the extent the cash proceeds from the sale of such Equity Interests have not otherwise been applied to the payment of Restricted Payments by virtue of Section 4.07(a)(iv)(C); *plus*

(B) the amount of any cash bonuses otherwise payable to members of management, employees, directors or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members or any permitted transferees thereof) of the Issuer, any of its Subsidiaries or any Parent Company that are foregone in exchange for the receipt of Equity Interests of the Issuer or any Parent Company pursuant to any compensation arrangement, including any deferred compensation plan; *plus*

(C) the cash proceeds of life insurance policies received by the Issuer or its Restricted Subsidiaries (or by any Parent Company to the extent contributed to the Issuer) after June 10, 2015; *minus*

(D) the amount of any Restricted Payments previously made with the cash proceeds described in clauses (A), (B) and (C) of this clause (iv);

and *provided*, that the Issuer may elect to apply all or any portion of the aggregate increase contemplated by clauses (A), (B) and (C) of this Section 4.07(b)(iv) in any calendar year, and *provided*, *further*, cancellation of Indebtedness owing to the Issuer or any of its Restricted Subsidiaries from any future, present or former employees, directors, officers, members of management or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members or any permitted transferees thereof), of the Issuer, any Parent Company or any of its Restricted Subsidiaries in connection with a repurchase of Equity Interests of the Issuer or any Parent Company will not be deemed to constitute a Restricted Payment for purposes of this Section 4.07 or any other provision of this Indenture;

(v) the declaration and payment of dividends or distributions to holders of any class or series of Disqualified Stock of the Issuer or any Restricted Subsidiary or any class or series of Preferred Stock of any Restricted Subsidiary issued before the Issue Date or in accordance with Section 4.09 to the extent such dividends are included in the definition of "Fixed Charges";

(vi) (A) the declaration and payment of dividends or distributions to holders of any class or series of Designated Preferred Stock issued by the Issuer or any Restricted Subsidiary after June 10, 2015;

(B) the declaration and payment of dividends or distributions to any Parent Company, the proceeds of which will be used to fund the payment of dividends or distributions to holders of any class or series of Designated Preferred Stock issued by such Parent Company after June 10, 2015; provided that the amount of dividends and distributions paid pursuant to this clause (B) will not exceed the aggregate amount of cash actually contributed to the Issuer from the sale of such Designated Preferred Stock; or

(C) the declaration and payment of dividends on Refunding Capital Stock that is Preferred Stock in excess of the dividends declarable and payable thereon pursuant to Section 4.07(b)(ii);

provided, in the case of each of clauses (A), (B) and (C) of this clause (A), that for the most recently ended Test Period preceding the date of issuance of such Designated Preferred Stock after the Issue Date or the declaration of such dividends on Refunding Capital Stock that is Preferred Stock, after giving effect to such issuance or declaration on a *pro forma* basis, the Issuer would have had a Fixed Charge Coverage Ratio of at least 2.00 to 1.00 or a Total Net Leverage Ratio of no more than 5.10 to 1.00;

(vii) (A) payments made or expected to be made by the Issuer or any Restricted Subsidiary in respect of withholding or similar taxes payable by any future, present or former employee, director, officer, member of management or consultant (or their respective Controlled Investment Affiliates or Immediate Family Members, or permitted transferees) of the Issuer or any Restricted Subsidiary or any Parent Company, (B) any repurchases or withholdings of Equity Interests in connection with the exercise of stock options, warrants or similar rights if such Equity Interests represent a portion of the exercise of, or withholding obligations with respect to, such options, warrants or similar rights or required withholding or similar taxes and (C) loans or advances to officers, directors, employees, managers, consultants and independent contractors of the Issuer or any Parent Company or any Restricted Subsidiary of the Issuer in connection with such Person's purchase of Equity Interests of the Issuer or any Parent Company; *provided* that no cash is actually advanced pursuant to this clause (vii)(C) other than to pay taxes due in connection with such purchase, unless immediately repaid;

(viii) the declaration and payment of dividends on the Issuer's common equity (or the payment of dividends to any Parent Company to fund a payment of dividends on such company's common equity) or the purchase, redemption, defeasance or other acquisition or retirement for value of any Equity Interests of the Issuer or any Parent Company, following the first public offering of the Issuer's common equity or the common equity of any Parent Company after the Issue Date, in an amount not to exceed the sum of (A) 6.0% per annum of the net cash proceeds received by or contributed to the Issuer in or from any such public offering, other than public offerings with respect to the Issuer's common stock registered on Form S-4 or Form S-8 and other than any public sale constituting an Excluded Contribution and (B) an aggregate amount per annum not to exceed 7.0% of Market Capitalization;

(ix) Restricted Payments in an amount that does not exceed the aggregate amount of Excluded Contributions;

(x) Restricted Payments in an aggregate amount taken together with all other Restricted Payments made pursuant to this clause (x) not to exceed the greater of (A) $90.0 million and (B) 22.5% of Run-Rate Adjusted EBITDA of the Issuer for the most recently ended Test Period on the date of such Restricted Payment; *provided*, if this clause (x) is utilized to make a Restricted Investment, the amount deemed to be utilized under this clause (x) will be the amount of such Restricted Investment at any time outstanding (with the fair market value of such Investment being measured at the time made and without giving effect to subsequent changes in value, but subject to adjustment as set forth in the definition of "Investments");

(xi) distributions or payments of Securitization Fees;

(xii) any Restricted Payment made in connection with the Transactions and the Refinancing Transactions and the fees and expenses related thereto or owed to Affiliates, including any payments to holders of Equity Interests of Life Time in connection with, or as a result of, their exercise of appraisal rights or the settlement of any claims or actions (whether actual, contingent or potential) related to the Transactions or the Refinancing Transactions;

(xiii) the repurchase, redemption, defeasance, acquisition or retirement for value of any Subordinated Indebtedness pursuant to the provisions similar to those of Sections 4.10 and 4.14; *provided*, (A) at or prior to such repurchase, redemption, defeasance, acquisition or retirement, the Issuer (or a third person permitted by this Indenture) has made any required Change of Control Offer, Alternate Offer or Asset Sale Offer, as applicable, to purchase the Notes on the terms provided in this Indenture applicable to Change of Control Offers, Alternate Offers or Asset Sale Offers, respectively, and (B) all Notes validly tendered by Holders in any such Change of Control Offer, Alternate Offer or Asset Sale Offer, as applicable, have been repurchased, redeemed, acquired or retired for value;

(xiv) the declaration and payment of dividends or distributions by the Issuer or a Restricted Subsidiary to, or the making of loans or advances to, the Issuer or any Parent Company in amounts required for any Parent Company to pay, in each case without duplication:

(A) franchise, excise and similar taxes, and other fees, taxes and expenses required to maintain their corporate or other legal existence;

(B) for any taxable period for which the Issuer and/or any of its Restricted Subsidiaries are members of a consolidated, combined, unitary or similar income tax group for U.S. federal and/or applicable foreign, state or local income tax purposes of which a Parent Company is the common parent (a "Tax Group"), to pay the portion of any U.S. federal, foreign, state and local income taxes of such Tax Group for such taxable period that are attributable to the taxable income of the Issuer and its Restricted Subsidiaries and Unrestricted Subsidiaries; *provided*, that for each taxable period, (1) the amount of such payments made in respect of such taxable period in the aggregate will not exceed the amount that the Issuer and such Restricted Subsidiaries, as applicable, would have been required to pay as stand-alone taxpayers or a stand-alone Tax Group and (2) the amount of such payments made in respect of an Unrestricted Subsidiary will be permitted only to the extent that cash distributions were made by such Unrestricted Subsidiary to the Issuer or any Restricted Subsidiary for such purpose;

(C) salary, bonus, severance and other benefits payable to, and indemnities provided on behalf of, employees, directors, officers, members of management and consultants of any Parent Company and any payroll, social security or similar taxes thereof;

(D) general corporate or other operating, administrative, compliance and overhead costs and expenses (including expenses relating to auditing and other accounting matters) of any Parent Company;

(E) fees and expenses (including ongoing compliance costs and listing expenses) related to any equity or debt offering of a Parent Company (whether or not consummated);

(F) amounts that would be permitted to be paid directly by the Issuer or its Restricted Subsidiaries under Section 4.11 (other than clause (b)(ii)(A) thereof);

(G) interest or principal on Indebtedness the proceeds of which have been contributed to the Issuer or any Restricted Subsidiary or that has been guaranteed by, or is otherwise, considered Indebtedness of, the Issuer or any Restricted Subsidiary incurred in accordance with Section 4.09; and

(H) to finance Investments or other acquisitions otherwise permitted to be made pursuant to this Section 4.07 if made by the Issuer; *provided*, (1) such Restricted Payment must be made within 120 days of the closing of such Investment or other acquisition, (2) such Parent Company must, promptly following the closing thereof, cause (I) all property acquired (whether assets or Equity Interests) to be contributed to the capital of the Issuer or one of its Restricted Subsidiaries or (II) the merger, amalgamation, consolidation, or sale of the Person formed or acquired into the Issuer or one of its Restricted Subsidiaries (to the extent not prohibited by Section 5.01) in order to consummate such Investment or other acquisition, (3) such Parent Company and its Affiliates (other than the Issuer or a Restricted Subsidiary) receives no consideration or other payment in connection with such transaction except to the extent the Issuer or a Restricted Subsidiary could have given such consideration or made such payment in compliance with this Indenture, (4) any property received by the Issuer may not increase amounts available for Restricted Payments pursuant to Section 4.07(a)(iv)(C) and (5) to the extent constituting an Investment, such Investment will be deemed to be made by the Issuer or such Restricted Subsidiary pursuant to another provision of this Section 4.07 (other than pursuant to Section 4.07(b)(ix)) or pursuant to the definition of "Permitted Investments" (other than clause (9) thereof);

(xv) the distribution, by dividend or otherwise, or other transfer or disposition of shares of Capital Stock of, Equity Interests in, or Indebtedness owed to the Issuer or a Restricted Subsidiary by, Unrestricted Subsidiaries (other than Unrestricted Subsidiaries, substantially all the assets of which are cash and Cash Equivalents);

(xvi) cash payments or loans, advances, dividends or distributions to any Parent Company to make payments, in lieu of issuing fractional shares in connection with share dividends, share splits, reverse share splits, mergers, consolidations, amalgamations or other business combinations and in connection with the exercise of warrants, options or other securities convertible into or exchangeable for Equity Interests of the Issuer, any of its Restricted Subsidiaries or any Parent Company;

(xvii) Restricted Payments, *provided*, after giving *pro forma* effect thereto and the application of the net proceeds therefrom, the First Lien Net Leverage Ratio for the Test Period immediately preceding such Restricted Payment would be no greater than 2.75 to 1.00;

(xviii) making payments for the benefit of the Issuer or any of its Restricted Subsidiaries to the extent such payments could have been made by the Issuer or any of its Restricted Subsidiaries because such payments (a) would not otherwise be Restricted Payments and (b) would be permitted by Section 4.11;

(xix) payments and distributions to dissenting stockholders pursuant to applicable law, pursuant to or in connection with a consolidation, amalgamation, merger or transfer of all or substantially all of the assets of the Issuer and its Restricted Subsidiaries taken as a whole that complies with the terms of this Indenture or any other transaction that complies with the terms of this Indenture;

(xx) the payment of dividends, other distributions and other amounts by the Issuer to, or the making of loans to, any Parent Company in the amount required for such parent to, if applicable, pay amounts equal to amounts required for any Parent Company, if applicable, to pay interest and/or principal (including AHYDO Payments) on Indebtedness, the proceeds of which have been permanently contributed to the Issuer or any Restricted Subsidiary and that has been guaranteed by, or is otherwise considered Indebtedness of, the Issuer or any Restricted Subsidiary incurred in accordance with this Indenture; *provided* that the aggregate amount of such dividends shall not exceed the amount of cash actually contributed to the Issuer for the incurrence of such Indebtedness;

(xxi) the making of cash payments in connection with any conversion of Convertible Indebtedness of the Issuer or any Restricted Subsidiary in an aggregate amount since June 10, 2015 not to exceed the sum of (a) the principal amount of such Convertible Indebtedness *plus* (b) any payments received by the Issuer or any of its Restricted Subsidiaries pursuant to the exercise, settlement or termination of any related Permitted Bond Hedge Transaction;

(xxii) any payments in connection with (A) a Permitted Bond Hedge Transaction and (B) the settlement of any related Permitted Warrant Transaction (1) by delivery of shares of the Issuer's common stock upon settlement thereof or (2) by (I) set-off against the related Permitted Bond Hedge Transaction or (II) payment of an early termination amount thereof in common stock upon any early termination thereof;

(xxiii) any dividend or other Restricted Payment of or related to the Specified Businesses, including distributions or payments to any Parent Company to fund the payment of taxes by such Parent Company and by the direct or indirect owners of such Parent Company (based on the assumption that all such owners are individuals resident in Los Angeles, California) resulting from the dividend or other Restricted Payment of the Specified Businesses to the direct and indirect owners of any Parent Company;

(xxiv) Restricted Payments in an amount not to exceed 40.0% of the net cash proceeds of any Sale and Lease-Back Transactions consummated after June 10, 2015; *provided* that the aggregate amount of such Restricted Payments may not exceed $100.0 million;*provided, further*, after giving *pro forma* effect thereto and the application of the net proceeds therefrom, the Total Net Leverage Ratio for the Test Period immediately preceding such Restricted Payment would be no greater than 5.10 to 1.00; *provided*, *further*, that 60.0% of the net cash proceeds of such Sale and Lease-Back Transaction are applied to repay Indebtedness (including the Senior Credit Facilities, the Existing Notes or the Notes) incurred under Section 4.09(b)(i) and, in the case of revolving obligations, to correspondingly reduce commitments with respect thereto;

(xxv) Restricted Payments constituting or otherwise made in connection with or relating to any Permitted Reorganization; provided that if immediately after giving pro forma effect to any such Permitted Reorganization and the transactions to be consummated in connection therewith, any distributed asset ceases to be owned by the Issuer or another Restricted Subsidiary (or any entity ceases to be a Restricted Subsidiary), the applicable portion of such Restricted Payment must be otherwise permitted under another provision of this Section 4.07 or as a Permitted Investment (and constitute utilization of such other Restricted Payment or Permitted Investment exception or capacity); and

(xxvi) Restricted Payments made with Excluded Proceeds

provided, at the time of, and after giving effect to, any Restricted Payment permitted under clauses (x), (xv) and (xvii) of this Section 4.07(b), no Default will have occurred and be continuing or would occur as a consequence thereof. For purposes of clauses (vii), (xiv) and (xxiii) of this Section 4.07(b), taxes will include all interest and penalties with respect thereto and all additions thereto.

(c) For purposes of determining compliance with this Section 4.07, in the event that any Restricted Payment or Investment (or a portion thereof) meets the criteria of more than one of the categories of Restricted Payments described in Sections 4.07(a) or 4.07(b) and/or one or more of the clauses contained in the definition of "Permitted Investments", the Issuer will be entitled to divide or classify (or later divide, classify or reclassify in whole or in part in its sole discretion) such Restricted Payment or Investment (or any portion thereof) among Sections 4.07(a) and/or 4.07(b) and/or one or more clauses contained in the definition of "Permitted

Investments," in a manner that otherwise complies with this Section 4.07. The amount of all Restricted Payments (other than cash) will be the fair market value on the date the Restricted Payment is made, or at the Issuer's election, the date a commitment is made to make such Restricted Payment, of the assets or securities proposed to be transferred or issued by the Issuer or any Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment. The expansion, remodeling, acquisition, modernization, construction, improvement and repair of facilities (including fitness centers) operated, or expected to be operated, by the Issuer or a Restricted Subsidiary, and financing transactions in connection therewith (including Sale and Lease-Back Transactions) will be deemed to be, in each case, activity in the ordinary course of business or consistent with industry practice of the Issuer and the Restricted Subsidiaries.

(d) As of the Issue Date, all of the Issuer's Subsidiaries (other than the Existing Unrestricted Subsidiaries) will be Restricted Subsidiaries. The Issuer will not permit any Unrestricted Subsidiary to become a Restricted Subsidiary except pursuant to the penultimate sentence of the definition of "Unrestricted Subsidiary." For purposes of designating any Restricted Subsidiary as an Unrestricted Subsidiary, all outstanding Investments by the Issuer and its Restricted Subsidiaries (except to the extent repaid) in the Subsidiary so designated will be deemed to be Restricted Payments or Permitted Investments in an amount determined as set forth in the penultimate sentence of the definition of "Investments." Such designation will be permitted only if a Restricted Payment in such amount would be permitted at such time pursuant to this Section 4.07 or if an Investment would be permitted at such time, pursuant to the definition of "Permitted Investments," and if such Subsidiary otherwise meets the definition of an Unrestricted Subsidiary. The Existing Unrestricted Subsidiaries will be Unrestricted Subsidiaries on the Issue Date and will not need to comply with the preceding sentence or the definition of "Unrestricted Subsidiary" to be Unrestricted Subsidiaries and any Restricted Payments or Investments made in connection with or related to the Existing Unrestricted Subsidiaries prior to the Issue Date will constitute Investments existing on the Issue Date under clause (5) of the definition of "Permitted Investments." Unrestricted Subsidiaries will not be subject to any of the restrictive covenants set forth in this Indenture. For the avoidance of doubt, this Section 4.07 will not restrict the making of any AHYDO Payment with respect to, and required by the terms of, any Indebtedness of the Issuer or any Restricted Subsidiary permitted to be incurred under the terms of this Indenture.

SECTION 4.08. Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries.

(a) The Issuer will not, and will not permit any Restricted Subsidiary that is not a Guarantor to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any consensual encumbrance or consensual restriction on the ability of any such Restricted Subsidiary to:

(i) (A) pay dividends or make any other distributions to the Issuer or any Restricted Subsidiary that is a Guarantor on its Capital Stock or with respect to any other interest or participation in, or measured by, its profits, or

(B) pay any Indebtedness owed to the Issuer or to any Restricted Subsidiary that is a Guarantor;

(ii) make loans or advances to the Issuer or to any Restricted Subsidiary that is a Guarantor; or

(iii) sell, lease or transfer any of its properties or assets to the Issuer or to any Restricted Subsidiary that is a Guarantor;

provided, dividend or liquidation priority between classes or series of Capital Stock, and the subordination of any Obligation (including the application of any remedy bars thereto) to any other Obligation will not be deemed to constitute such an encumbrance or restriction.

(b) The restrictions in Section 4.08(a) will not apply to encumbrances or restrictions existing under or by reason of:

(i) encumbrances or restrictions in effect on the Issue Date, including pursuant to the Senior Credit Facilities and the related documentation, the Existing Notes, Existing Notes Indenture and the guarantees thereof, and Hedging Obligations and the related documentation;

(ii) this Indenture, the Notes and the guarantees thereof;

(iii) Purchase Money Obligations and Capitalized Lease Obligations that impose restrictions of the nature discussed in Section 4.08(a)(iii) on the property so acquired;

(iv) applicable law or any applicable rule, regulation or order;

(v) any agreement or other instrument of a Person, or relating to Indebtedness or Equity Interests of a Person, acquired by or merged, amalgamated or consolidated with and into the Issuer or any Restricted Subsidiary or an Unrestricted Subsidiary that is designated as a Restricted Subsidiary, or any other transaction entered into in connection with any such acquisition, merger, consolidation or amalgamation in existence at the time of such acquisition or at the time it merges, amalgamates or consolidates with or into the Issuer or any Restricted Subsidiary or an Unrestricted Subsidiary that is designated as a Restricted Subsidiary or assumed in connection with the acquisition of assets from such Person (but, in any such case, not created in contemplation thereof), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person so acquired and its Subsidiaries, or the property or assets of the Person so acquired or designated and its Subsidiaries or the property or assets so acquired or designated;

(vi) contracts or agreements for the sale or disposition of assets, including any restrictions with respect to a Subsidiary of the Issuer pursuant to an agreement that has been entered into for the sale or disposition of all or substantially all of the Capital Stock or assets of such Subsidiary;

(vii) Secured Indebtedness otherwise permitted to be incurred pursuant to Sections 4.09 and 4.12 that limit the right of the debtor to dispose of assets or incur Liens;

(viii) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business or consistent with industry practice or arising in connection with any Permitted Liens;

(ix) Indebtedness, Disqualified Stock or Preferred Stock of Restricted Subsidiaries that are not Guarantors permitted to be incurred subsequent to the Issue Date pursuant to Section 4.09;

(x) provisions in joint venture agreements and other similar agreements (including equity holder agreements) relating to such joint venture or its members or entered into in the ordinary course of business or consistent with industry practice;

(xi) customary provisions contained in leases, sub-leases, licenses, sub-licenses, Equity Interests or similar agreements, including with respect to intellectual property and other agreements;

(xii) restrictions created in connection with any Qualified Securitization Facility that, in the good faith determination of the Issuer, are necessary or advisable to effect such Qualified Securitization Facility;

(xiii) restrictions or conditions contained in any trading, netting, operating, construction, service, supply, purchase, sale or other agreement to which the Issuer or any Restricted Subsidiary is a party entered into in the ordinary course of business or consistent with industry practice; *provided*, such agreement prohibits the encumbrance of solely the property or assets of the Issuer or such Restricted Subsidiary that are the subject to such agreement, the payment rights arising thereunder or the proceeds thereof and does not extend to any other asset or property of the Issuer or such Restricted Subsidiary or the assets or property of another Restricted Subsidiary;

(xiv) customary provisions restricting subletting or assignment of any lease governing a leasehold interest of any Restricted Subsidiary;

(xv) customary provisions restricting assignment of any agreement;

(xvi) restrictions arising in connection with cash or other deposits permitted under Section 4.12;

(xvii) any other agreement or instrument governing any Indebtedness, Disqualified Stock, or Preferred Stock permitted to be incurred or issued pursuant to Section 4.09 entered into after the Issue Date that contains encumbrances and restrictions that either (A) are no more restrictive in any material respect, taken as a whole, with respect to any Restricted Subsidiary than (1) the restrictions contained in this Indenture, the Existing Notes Indenture or the Senior Credit Facilities as of the Issue Date or (2) those encumbrances and other restrictions that are in effect on the Issue Date with respect

to that Restricted Subsidiary pursuant to agreements in effect on the Issue Date, (B) are not materially more disadvantageous, taken as a whole, to the Holders than is customary in comparable financings for similarly situated issuers or (C) will not materially impair the Issuer's ability to make payments on the Notes when due, in each case in the good faith judgment of the Issuer;

(xviii) (A) Indebtedness and Liens in existence on the Issue Date, including in respect of Existing Mortgage Debt, and Indebtedness permitted to be incurred pursuant to Section 4.09(b)(iv)(B) and (B) agreements entered into in connection with a Sale and Lease-Back Transaction entered into in the ordinary course of business or consistent with industry practice;

(xix) customary restrictions and conditions contained in documents relating to any Lien so long as (A) such Lien is a Permitted Lien and such restrictions or conditions relate only to the specific asset subject to such Lien and (B) such restrictions and conditions are not created for the purpose of avoiding the restrictions imposed by this Section 4.08;

(xx) any encumbrance or restriction with respect to a Restricted Subsidiary that was previously an Unrestricted Subsidiary which encumbrance or restriction exists pursuant to or by reason of an agreement that such Subsidiary is a party to or entered into before the date on which such Subsidiary became a Restricted Subsidiary; *provided*, such agreement was not entered into in anticipation of an Unrestricted Subsidiary becoming a Restricted Subsidiary and any such encumbrance or restriction does not extend to any assets or property of the Issuer or any other Restricted Subsidiary other than the assets and property of such Subsidiary;

(xxi) any encumbrances or restrictions of the type referred to in clauses (i), (ii) and (iii) of Section 4.08(a) imposed by any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of the contracts, instruments or obligations referred to in clauses (i) through (xx) of this Section 4.08(b); *provided*, such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are, in the good faith judgment of the Issuer, no more restrictive in any material respect with respect to such encumbrance and other restrictions taken as a whole than those prior to such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing;

(xxii) existing under, by reason of or with respect to Refinancing Indebtedness;*provided* that the encumbrances and restrictions contained in the agreements governing that Refinancing Indebtedness are, in the good faith judgment of the Issuer, not materially more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being refinanced; and

(xxiii) applicable law or any applicable rule, regulation or order in any jurisdiction where Indebtedness, Disqualified Stock or Preferred Stock of Foreign Subsidiaries permitted to be incurred pursuant to the provisions of Section 4.09 is incurred.

SECTION 4.09. Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock.

(a) The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise (collectively, "incur" and an incidence thereof, an "incurrence") with respect to any Indebtedness (including Acquired Indebtedness) and the Issuer will not issue any shares of Disqualified Stock and will not permit any Restricted Subsidiary to issue any shares of Disqualified Stock or Preferred Stock; *provided*, the Issuer may incur Indebtedness (including Acquired Indebtedness) or issue shares of Disqualified Stock, and any Restricted Subsidiary may incur Indebtedness (including Acquired Indebtedness), issue shares of Disqualified Stock and issue shares of Preferred Stock, if the Fixed Charge Coverage Ratio of the Issuer for the Issuer's most recently ended Test Period preceding the date on which such additional Indebtedness is incurred or such Disqualified Stock or Preferred Stock is issued (or, in the case of Indebtedness under Designated Revolving Commitments, on the date such Designated Revolving Commitments are established after giving *pro forma* effect to the incurrence of the entire committed amount of Indebtedness thereunder, in which case such committed amount under such Designated Revolving Commitments may thereafter be borrowed and reborrowed, in whole or in part, from time to time, without further compliance with this proviso) would have been at least 2.00 to 1.00, determined on a *pro forma* basis (including a *pro forma* application of the net proceeds therefrom), as if the additional Indebtedness had been incurred, or the Disqualified Stock or Preferred Stock had been issued, as the case may be, and the application of proceeds therefrom had occurred at the beginning of such Test Period; *provided*, *further*, Restricted Subsidiaries of the Issuer that are not Guarantors may not incur Indebtedness or issue Disqualified Stock or Preferred Stock under this paragraph if, after giving *pro forma* effect to such incurrence (including a *pro forma* application of the net proceeds therefrom), the aggregate amount of Indebtedness and Disqualified Stock and Preferred Stock of Restricted Subsidiaries that are not Guarantors incurred or issued pursuant to this paragraph then outstanding would exceed the greater of (x) $120.0 million and (y) 30% of Run-Rate Adjusted EBITDA of the Issuer for the most recently ended Test Period on the date of such incurrence or issuance.

(b) The provisions of Section 4.09(a) hereof will not apply to:

(i) the incurrence of Indebtedness pursuant to Credit Facilities by the Issuer or any Restricted Subsidiary and the issuance and creation of drawn letters of credit and bankers' acceptances thereunder (with drawn letters of credit and bankers' acceptances being deemed to have a principal amount equal to the face amount thereof) in an aggregate principal amount at any one time outstanding not to exceed the sum of (A) $1,535.0 million and (B) the Permitted Incremental Amount; *provided*, that any Indebtedness incurred under this Section 4.09(b)(i) may be refinanced with additional Indebtedness in an amount equal to the principal of the Indebtedness so refinanced, plus any additional amount to pay premiums (including tender premiums), accrued and unpaid interest, expenses, defeasance costs and fees in connection therewith;

(ii) the incurrence by the Issuer and any Guarantor of Indebtedness represented by the Notes and the Guarantees (but excluding any Additional Notes);

(iii) the incurrence of Indebtedness by the Issuer and any Restricted Subsidiary in existence on the Issue Date (excluding Indebtedness described in clauses (i) and (ii) of this Section 4.09(b), but including Indebtedness in respect of Existing Mortgage Debt);

(iv) (A) the incurrence of Attributable Indebtedness, (B) Indebtedness (including Capitalized Lease Obligations and Purchase Money Obligations) and Disqualified Stock incurred or issued by the Issuer or any Restricted Subsidiary and Preferred Stock issued by any Restricted Subsidiary to finance (x) the construction of the Life Time Living facility in Henderson, Nevada and (y) the purchase, lease, expansion, construction, installation, replacement, repair or improvement of property (real or personal), equipment or other assets, including assets that are used or useful in a Similar Business, whether through the direct purchase of assets or the Capital Stock of any Person owning such assets in an aggregate principal amount, together with any Refinancing Indebtedness in respect thereof (excluding any Incremental Amounts) and all other Indebtedness, Disqualified Stock and/or Preferred Stock incurred or issued and outstanding under this clause (iv)(B)(y) at such time, not to exceed the greater of (1) $120.0 million and (2) 30% of Run-Rate Adjusted EBITDA of the Issuer for the most recently ended Test Period on the date of such incurrence and (C) any Refinancing Indebtedness thereof (it being understood that any Indebtedness, Disqualified Stock or Preferred Stock incurred or issued pursuant to this clause (iv) will cease to be deemed incurred, issued or outstanding for purposes of this clause (iv) but will be deemed incurred or issued for the purposes of Section 4.09(a), clause (3), (4) or (5) of the Permitted Incremental Amount under clause (i)(B) or clause (xxxi) of this Section 4.09(b) from and after the first date on which the Issuer or such Restricted Subsidiary could have incurred or issued such Indebtedness, Disqualified Stock or Preferred Stock under clause (3), (4) or (5) of the Permitted Incremental Amount under clause (i)(B) or clause (xxxi) of this Section 4.09(b) or Section 4.09(a) without reliance on this clause (iv));

(v) (A) Indebtedness incurred by the Issuer or any Restricted Subsidiary constituting reimbursement obligations with respect to letters of credit, bank guarantees, banker's acceptances, warehouse receipts, or similar instruments issued or entered into, or relating to obligations or liabilities incurred, in the ordinary course of business or consistent with industry practice, including in respect of workers' compensation claims, performance, completion or surety bonds, health, disability or other employee benefits or property, casualty or liability insurance or self-insurance, unemployment insurance or other social security legislation or other Indebtedness with respect to reimbursement-type obligations regarding workers' compensation claims, performance, completion or surety bonds, health, disability or other employee benefits or property, casualty or liability insurance or self-insurance and (B) the incurrence of Indebtedness by the Issuer or any Restricted Subsidiary as an account party in respect of letters of credit, bank guarantees or similar instruments in favor of suppliers, trade creditors or other Persons incurred in the ordinary course of business or consistent with industry practice;

(vi) the incurrence of Indebtedness arising from agreements of the Issuer or any Restricted Subsidiary providing for indemnification, adjustment of purchase price, earnouts or similar obligations, in each case, incurred or assumed in connection with the acquisition or disposition of any business, assets or a Subsidiary, other than guarantees of Indebtedness incurred by any Person acquiring all or any portion of such business, assets or a Subsidiary for the purpose of financing such acquisition;

(vii) the incurrence of Indebtedness or the issuance of Disqualified Stock of the Issuer to a Restricted Subsidiary (or to any Parent Company which is substantially contemporaneously transferred to the Issuer or any Restricted Subsidiary); *provided*, any such Indebtedness for borrowed money owing or shares of Disqualified Stock issued to a Restricted Subsidiary that is not a Guarantor is expressly subordinated in right of payment to the Notes to the extent permitted by applicable law and it does not result in adverse tax consequences; *provided, further*, any subsequent issuance or transfer of any Capital Stock or any other event that results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such Indebtedness or shares of Disqualified Stock (except to the Issuer or another Restricted Subsidiary or any pledge of such Indebtedness constituting a Permitted Lien) will be deemed, in each case, to be an incurrence of such Indebtedness (to the extent such Indebtedness is then outstanding) or issuance of Disqualified Stock, as applicable, not permitted by this clause (vii);

(viii) the incurrence of Indebtedness of a Restricted Subsidiary to the Issuer or another Restricted Subsidiary (or to any Parent Company which is substantially contemporaneously transferred to the Issuer or any Restricted Subsidiary); *provided*, any such Indebtedness for borrowed money incurred by a Guarantor and owing to a Restricted Subsidiary that is not a Guarantor is expressly subordinated in right of payment to the Guarantee of the Notes of such Guarantor to the extent permitted by applicable law and it does not result in adverse tax consequences; *provided, further*, that any subsequent issuance or transfer of any Capital Stock or any other event which results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any such subsequent transfer of any such Indebtedness (except to the Issuer or another Restricted Subsidiary or any pledge of such Indebtedness constituting a Permitted Lien) will be deemed, in each case, to be an incurrence of such Indebtedness (to the extent such Indebtedness is then outstanding) not permitted by this clause (viii);

(ix) the issuance of Shares of Preferred Stock or Disqualified Stock of a Restricted Subsidiary issued to the Issuer or another Restricted Subsidiary; *provided*, any subsequent issuance or transfer of any Capital Stock or any other event that results in any such Restricted Subsidiary that holds such Preferred Stock or Disqualified Stock ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such shares of Preferred Stock or Disqualified Stock (except to the Issuer or another Restricted Subsidiary or any pledge of such Indebtedness constituting a Permitted Lien) will be deemed, in each case, to be an issuance of such shares of Preferred Stock or Disqualified Stock (to the extent such Preferred Stock is then outstanding) not permitted by this clause (ix);

(x) the incurrence of Hedging Obligations (excluding Hedging Obligations entered into for speculative purposes);

(xi) the incurrence of Obligations in respect of self-insurance and Obligations in respect of performance, bid, appeal and surety bonds and performance, banker's acceptance facilities and completion guarantees, indemnifications and similar obligations provided by the Issuer or any Restricted Subsidiary or Obligations in respect of letters of credit, bank guarantees, non-recourse carve-outs or similar instruments related thereto, in each case in the ordinary course of business or consistent with industry practice, including those incurred to secure health, safety and environmental obligations;

(xii) (A) the incurrence of Indebtedness or Disqualified Stock of the Issuer and Indebtedness, Disqualified Stock or Preferred Stock of any Restricted Subsidiary in an aggregate principal amount or liquidation preference at any one time outstanding of up to (1) 200.0% of the net cash proceeds received by the Issuer and its Restricted Subsidiaries since June 10, 2015 from the issue or sale of Equity Interests of the Issuer and the Guarantors or contributions to the capital of the Issuer and the Guarantors including through consolidation, amalgamation or merger (in each case, other than proceeds of Disqualified Stock or sales of Equity Interests to the Issuer or any Subsidiary) as determined in accordance with clauses (iv)(C)(2) and (iv)(C)3) of Section 4.07(a) and (2) 100.0% of the principal amount of Indebtedness of the Issuer and its Subsidiaries that is converted into Equity Interests (other than Disqualified Stock or sales of Equity Interests to the Issuer or any Subsidiary or any Equity Interests that are preferred shares that bear a cash-pay dividend), to the extent such net cash proceeds or cash have not been applied pursuant to such clauses to make Restricted Payments pursuant to Section 4.07(a); and

(B) the incurrence of Indebtedness or Disqualified Stock of the Issuer and Indebtedness, Disqualified Stock or Preferred Stock of any Restricted Subsidiary in an aggregate principal amount or liquidation preference that, when aggregated with the principal amount and liquidation preference of all other Indebtedness, Disqualified Stock and Preferred Stock then outstanding and incurred or issued, as applicable, pursuant to this clause (xii)(B), does not, together with any Refinancing Indebtedness in respect thereof (excluding any Incremental Amounts), exceed the greater of (x) $120.0 million and (y) 30% of Run-Rate Adjusted EBITDA of the Issuer for the most recently ended Test Period on the date of such incurrence (and any Refinancing Indebtedness thereof); plus, in the event of any extension, replacement, refinancing, renewal or defeasance of any such Indebtedness or Disqualified Stock, an amount equal to the amount of any premium required to be paid under the terms of the instrument governing such Indebtedness, Disqualified Stock or Preferred Stock and any defeasance costs and any fees and expenses (including original issue discount, upfront fees or similar fees) incurred in connection with the issuance of such new Indebtedness or the extension, replacement, refunding, refinancing, renewal or defeasance of such Indebtedness or Disqualified Stock;

it being understood that any Indebtedness, Disqualified Stock or Preferred Stock incurred or issued pursuant to this clause (xii) will cease to be deemed incurred, issued or outstanding for purposes of this clause (xii) but will be deemed incurred or issued for the purposes of Section 4.09(a), clause (3), (4) or (5) of the Permitted Incremental Amount under clause (i)(B) or clause (xxxi) of this Section 4.09(b) from and after the first date on

which the Issuer or such Restricted Subsidiary could have incurred or issued such Indebtedness, Disqualified Stock or Preferred Stock under clause (3), (4) or (5) of the Permitted Incremental Amount under clause (i)(B) or clause (xxxi) of this Section 4.09(b) or Section 4.09(a) without reliance on this clause (xii);

(xiii) the incurrence by the Issuer of Indebtedness or Disqualified Stock or the incurrence by a Restricted Subsidiary of Indebtedness, Disqualified Stock or Preferred Stock that serves to refund, refinance, extend, replace, renew or defease (collectively, "refinance" with "refinances," "refinanced," and "refinancing" having a correlative meaning) any Indebtedness (including any Designated Revolving Commitments) incurred or Disqualified Stock or Preferred Stock issued as permitted under Section 4.09(a) and clauses (ii), (iii), (iv) and (xii)(A)of this Section 4.09(b), this clause (xiii) and clauses (xiv), (xxiii) and (xxxi) of this Section 4.09(b) or any successive Refinancing Indebtedness with respect to any of the foregoing;

(xiv) the incurrence of:

(A) Indebtedness or Disqualified Stock of the Issuer or Indebtedness, Disqualified Stock or Preferred Stock of a Restricted Subsidiary incurred or issued to finance an acquisition or Investment (or other purchase of assets) or that is assumed by the Issuer or any Restricted Subsidiary in connection with such acquisition or Investment; and

(B) Indebtedness, Disqualified Stock or Preferred Stock of Persons that are acquired by the Issuer or any Restricted Subsidiary or merged into, amalgamated or consolidated with the Issuer or a Restricted Subsidiary in accordance with the terms of this Indenture;

provided, in the case of (A) and (B), either:

(1) after giving *pro forma* effect to such acquisition, amalgamation, consolidation or merger, either (I) the Issuer would be permitted to incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio Test; (II) the Fixed Charge Coverage Ratio for the Issuer is equal to or greater than immediately prior to such acquisition, amalgamation, consolidation or merger; or (III) the Total Net Leverage Ratio for the Issuer is equal to or less than immediately prior to such acquisition, amalgamation, consolidation or merger; or

(2) Indebtedness, Disqualified Stock or Preferred Stock does not exceed the greater of (I) $120.0 million and (II) 30% of Run-Rate Adjusted EBITDA of the Issuer for the most recently ended Test Period on the date of such incurrence, in the aggregate at any one time outstanding, together with all other outstanding Indebtedness, Disqualified Stock or Preferred Stock issued under this clause (2) and any outstanding Indebtedness under clause (xiii) of this Section 4.09(b) incurred to refinance Indebtedness initially incurred in reliance on this clause (2) (it

being understood that any Indebtedness, Disqualified Stock or Preferred Stock incurred pursuant to this clause (2) will cease to be deemed incurred or outstanding for purposes of this clause (2) but will be deemed incurred pursuant to Section 4.09(a), clause (3), (4) or (5) of the Permitted Incremental Amount under clause (i)(B) of this Section 4.09(b), clause (1) of this Section 4.09(b)(xiv) or clause (xxxi) of this Section 4.09(b) from and after the first date on which the Issuer or such Restricted Subsidiary could have incurred such Indebtedness, Disqualified Stock or Preferred Stock under Section 4.09(a), clause (3), (4) or (5) of the Permitted Incremental Amount under clause (i)(B) of this Section 4.09(b), clause (1) of this Section 4.09(b)(xiv) or clause (xxxi) of this Section 4.09(b));

(xv) the incurrence of Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business or consistent with industry practice;

(xvi) the incurrence of Indebtedness of the Issuer or any Restricted Subsidiary supported by a letter of credit or bank guarantee issued pursuant to any Credit Facility, in a principal amount not in excess of the stated amount of such letter of credit or bank guarantee;

(xvii) (A) the incurrence of any guarantee by the Issuer or a Restricted Subsidiary of Indebtedness or other obligations of the Issuer or any Restricted Subsidiary so long as the incurrence of such Indebtedness or other obligations incurred by the Issuer or such Restricted Subsidiary is permitted under the terms of this Indenture, or (B) any co-issuance by the Issuer or any Restricted Subsidiary of any Indebtedness or other obligations of the Issuer or any Restricted Subsidiary so long as the incurrence of such Indebtedness or other obligations by the Issuer or such Restricted Subsidiary was permitted under the terms of this Indenture;

(xviii) the incurrence of Indebtedness issued by the Issuer or any Restricted Subsidiary to future, present or former employees, directors, officers, members of management and consultants thereof, their respective Controlled Investment Affiliates or Immediate Family Members and permitted transferees thereof, in each case to finance the purchase or redemption of Equity Interests of the Issuer or any Parent Company to the extent described in Section 4.07(b)(iv);

(xix) customer deposits and advance payments received in the ordinary course of business or consistent with industry practice from customers for goods and services purchased in the ordinary course of business or consistent with industry practice;

(xx) the incurrence of (A) Indebtedness owed to banks and other financial institutions incurred in the ordinary course of business or consistent with industry practice in connection with ordinary banking arrangements to manage cash balances of the Issuer and its Restricted Subsidiaries and (B) Indebtedness in respect of Cash Management Services, including Cash Management Obligations;

(xxi) Indebtedness incurred by a Restricted Subsidiary in connection with bankers' acceptances, discounted bills of exchange or the discounting or factoring of receivables for credit management purposes, in each case incurred or undertaken in the ordinary course of business or consistent with industry practice on arm's length commercial terms;

(xxii) the incurrence of Indebtedness of the Issuer or any Restricted Subsidiary consisting of (A) the financing of insurance premiums or (B) take-or-pay obligations contained in supply arrangements in each case, incurred in the ordinary course of business or consistent with industry practice;

(xxiii) the incurrence of Indebtedness or Disqualified Stock by Restricted Subsidiaries of the Issuer that are not Guarantors in an amount not to exceed and together with any other Indebtedness incurred and outstanding under this clause (xxiii) the greater of (A) $120.0 million and (B) 30% of Run-Rate Adjusted EBITDA of the Issuer for the most recently ended Test Period on the date of such incurrence and any Refinancing Indebtedness thereof; it being understood that any Indebtedness or Disqualified Stock deemed incurred or issued pursuant to this clause (xxiii) will cease to be deemed incurred, issued or outstanding for the purpose of this clause (xxiii) but will be deemed incurred or issued for the purposes of this Section 4.09(a), clause (3), (4) or (5) of the Permitted Incremental Amount under clause (i)(B) or clause (xxxi) of this Section 4.09(b) from and after the first date on which the Issuer or such Restricted Subsidiaries could have incurred such Indebtedness or Disqualified Stock under clause (3), (4) or (5) of the Permitted Incremental Amount under clause (i)(B) or clause (xxxi) of this Section 4.09(b) or Section 4.09(a) without reliance on this clause (xxiii);

(xxiv) the incurrence of Indebtedness by the Issuer or any Restricted Subsidiary undertaken in connection with cash management (including netting services, automatic clearinghouse arrangements, overdraft protections, employee credit card programs and related or similar services or activities with respect to the Issuer or any Subsidiary thereof or joint venture in the ordinary course of business or consistent with industry practice, including with respect to financial accommodations of the type described in the definition of Cash Management Services);

(xxv) the incurrence of Indebtedness by the Issuer or any Restricted Subsidiary to the extent that the net proceeds thereof are promptly deposited with the Trustee to satisfy and discharge the Notes in accordance with this Indenture;

(xxvi) guarantees incurred in the ordinary course of business or consistent with industry practice in respect of obligations to suppliers, customers, franchisees, lessors, licensees, sub-licensees and distribution partners and guarantees incurred in connection with construction, design and development projects;

(xxvii) the incurrence of Indebtedness attributable to (but not incurred to finance) the exercise of appraisal rights or the settlement of any claims or actions (whether actual, contingent or potential) with respect to the Transactions or any other acquisition (by merger, consolidation or amalgamation or otherwise) in accordance with the terms of this Indenture;

(xxviii) the incurrence of Indebtedness representing deferred compensation to employees of any Parent Company, the Issuer or any Restricted Subsidiary, including Indebtedness consisting of obligations under deferred compensation or any other similar arrangements incurred in connection with the Transactions, any Investment or any acquisition (by merger, consolidation or amalgamation or otherwise) permitted under this Indenture;

(xxix) the incurrence of Indebtedness arising out of any Sale and Lease-Back Transaction incurred in the ordinary course of business or consistent with industry practice;

(xxx) the incurrence of mortgage Indebtedness on fee-owned or ground leased real property that is not Material Real Property;

(xxxi) the incurrence of Indebtedness (including Acquired Indebtedness) or issuance of Disqualified Stock or Preferred Stock so long as, after giving *pro forma* effect thereto and the application of the net proceeds therefrom, the Total Net Leverage Ratio of the Issuer for the Issuer's most recently ended Test Period preceding the date on which such additional Indebtedness is incurred or such Disqualified Stock or Preferred Stock is issued (or, in the case of Indebtedness under Designated Revolving Commitments, on the date such Designated Revolving Commitments are established after giving *pro forma* effect to the incurrence of the entire committed amount of Indebtedness thereunder, in which case such committed amount under such Designated Revolving Commitments may thereafter be borrowed and reborrowed, in whole or in part, from time to time, without further compliance with this proviso) would be no greater than 5.10:1.00;

(xxxii) Indebtedness incurred or Disqualified Stock or Preferred Stock issued on behalf of, or representing guarantees of Indebtedness, Disqualified Stock or Preferred Stock of, any joint ventures and together with any other Indebtedness incurred and outstanding under this clause (xxxii) not to exceed the greater of (A) $40.0 million and (B) 10% of Run-Rate Adjusted EBITDA of the Issuer for the most recently ended Test Period on the date of such incurrence and any Refinancing Indebtedness thereof; it being understood that any Indebtedness, Disqualified Stock or Preferred Stock deemed incurred or issued pursuant to this clause (xxxii) will cease to be deemed incurred, issued or outstanding for the purpose of this clause (xxxii) but will be deemed incurred or issued for the purposes of Section 4.09(a), clause (3), (4) or (5) of the Permitted Incremental Amount under clause (i)(B) or clause (xxxi) of this Section 4.09(b) from and after the first date on which the Issuer or such Restricted Subsidiaries could have incurred such Indebtedness, Disqualified Stock or Preferred Stock under clause (3), (4) or (5) of the Permitted Incremental Amount under clause (i)(B) or clause (xxxi) of this Section 4.09(b) or Section 4.09(a) without reliance on this clause (xxxii); and

(xxxiii) all premiums (if any), interest (including post-petition interest), fees, expenses, charges and additional or contingent interest on obligations described in clauses (i) through (xxxii) of this Section 4.09(b).

(c) For purposes of determining compliance with this Section 4.09:

(i) in the event that an item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) at any time, whether at the time of incurrence or upon the application of all or a portion of the proceeds thereof or subsequently, meets the criteria of more than one of the categories of permitted Indebtedness, Disqualified Stock or Preferred Stock described in clauses (i) through (xxxiii) of Section 4.09(b) or is entitled to be incurred pursuant to Section 4.09(a), the Issuer, in its sole discretion, may divide and classify and may subsequently re-divide and reclassify such item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) and will only be required to include the amount and type of such Indebtedness, Disqualified Stock or Preferred Stock (or a portion thereof) in such of the above clauses or under Section 4.09(a) as determined by the Issuer at such time, including any division, classification, redivision and reclassification among any ratio-based baskets, dollar-based baskets and baskets based on Run-Rate Adjusted EBITDA; *provided*, all Indebtedness outstanding under the Credit Facilities on the Issue Date will, at all times, be treated as incurred on the Issue Date under Section 4.09(b)(i)(A) and may not be reclassified;

(ii) the Issuer is entitled to divide and classify an item of Indebtedness, Disqualified Stock or Preferred Stock in more than one of the types of Indebtedness, Disqualified Stock or Preferred Stock described in Section 4.09(a) and Section 4.09(b), subject to the proviso to Section 4.09(c)(i);

(iii) the principal amount of Indebtedness and the amount of Disqualified Stock or Preferred Stock outstanding under any clause of this Section 4.09 will be determined after giving effect to the application of proceeds of any such Indebtedness, Disqualified Stock or Preferred Stock to refinance any such other Indebtedness, Disqualified Stock or Preferred Stock;

(iv) in the event an item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) is incurred or issued pursuant to Section 4.09(b) on the same date that an item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) is incurred or issued under Section 4.09(a), clause (3), (4) or (5) of the Permitted Incremental Amount under clause (i)(B) or clause (xxxi) of Section 4.09(b), then the Fixed Charge Coverage Ratio, or applicable leverage ratio, will be calculated with respect to such incurrence under Section 4.09(a), clause (3), (4) or (5) of the Permitted Incremental Amount under clause (i)(B) or clause (xxxi) of Section 4.09(b) without regard to any incurrence under Section 4.09(b) (other than with respect to any incurrence under clause (3), (4) or (5) of the Permitted Incremental Amount under clause (i)(B) or clause (xxxi) of Section 4.09(b)). Unless the Issuer elects otherwise, the incurrence of Indebtedness, Disqualified Stock or Preferred Stock will be deemed incurred or issued first under Section 4.09(a), clause (3), (4) or (5) of the Permitted Incremental Amount under clause (i)(B) or clause (xxxi) of Section 4.09(b) to the extent permitted, with the balance incurred under Section 4.09(b) (other than pursuant to clause (3), (4) or (5) of the Permitted Incremental Amount under clause (i)(B) or clause (xxxi) of Section 4.09(b)); and

(v) guarantees of, or obligations in respect of letters of credit relating to, Indebtedness that are otherwise included in the determination of a particular amount of Indebtedness that will not be included in the determination of such amount of Indebtedness; *provided* that the incurrence of the Indebtedness represented by such guarantee or letter of credit, as the case may be, was incurred in compliance with this Section 4.09.

Accrual of interest or dividends, the accretion of accreted value, the accretion or amortization of original issue discount, and the payment of interest or dividends in the form of additional Indebtedness, Disqualified Stock or Preferred Stock and increases in the amount of Indebtedness outstanding solely as a result of fluctuations in the exchange rate of currencies, will, in each case, not be deemed to be an incurrence of Indebtedness or an issuance of Disqualified Stock or Preferred Stock for purposes of this Section 4.09. Any Indebtedness incurred to refinance Indebtedness, Disqualified Stock or Preferred Stock incurred pursuant to Sections 4.09(b)(ii), (iii), (iv), (xii), (xiii), (xiv) and (xxiii) will be permitted to include additional Indebtedness, Disqualified Stock or Preferred Stock incurred to pay accrued but unpaid interest and dividends and premiums (and with respect to Indebtedness under Designated Revolving Commitments, including an amount equal to any unutilized Designated Revolving Commitments being refinanced to the extent permanently terminated at the time of incurrence of such Refinancing Indebtedness and reasonable tender premiums), defeasance costs and fees and expenses incurred in connection with such refinancing.

For purposes of determining compliance with any U.S. dollar-denominated restriction on the incurrence of Indebtedness or issuance of Disqualified Stock or Preferred Stock, the U.S. dollar-equivalent principal amount of Indebtedness, Disqualified Stock or Preferred Stock denominated in a foreign currency will be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness, Disqualified Stock or Preferred Stock was incurred, in the case of term debt, or first committed or first incurred (whichever yields the lower U.S. dollar equivalent), in the case of revolving credit debt; *provided* if such Indebtedness is incurred or Disqualified Stock or Preferred Stock is issued, to refinance other Indebtedness, Disqualified Stock or Preferred Stock, as applicable, denominated in a foreign currency, and such refinancing would cause the applicable U.S. dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such U.S. dollar-denominated restriction will be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness, Disqualified Stock or Preferred Stock does not exceed (1) the principal amount of such Indebtedness, Disqualified Stock or Preferred Stock, as applicable, being refinanced *plus* (2) the aggregate amount of accrued but unpaid interest, fees, underwriting discounts, defeasance costs, premiums (including tender premiums) and other costs and expenses (including original issue discount, upfront fees or similar fees) incurred in connection with such refinancing.

The principal amount of any Indebtedness incurred or Disqualified Stock or Preferred Stock issued to refinance other Indebtedness, Disqualified Stock or Preferred Stock, if incurred in a different currency from the Indebtedness, Disqualified Stock or Preferred Stock, as applicable, being refinanced, will be calculated based on the currency exchange rate applicable to the currencies in which such respective Indebtedness, Disqualified Stock or Preferred Stock is denominated that is in effect on the date of such refinancing. The principal amount of any non-interest bearing Indebtedness or other discount security constituting Indebtedness at any date will be the principal amount thereof that would be shown on a balance sheet of the Issuer dated such date prepared in accordance with GAAP.

The Issuer will not, and will not permit any Guarantor to, directly or indirectly, incur any Indebtedness (including Acquired Indebtedness) that is contractually subordinated or junior in right of payment to any Indebtedness of the Issuer or such Guarantor, as the case may be, unless such Indebtedness is expressly subordinated in right of payment to the Notes or such Guarantor's Guarantee to the extent and in the same manner as such Indebtedness is subordinated to other Indebtedness of the Issuer or such Guarantor, as the case may be.

For purposes of this Indenture, (1) unsecured Indebtedness will not be deemed to be subordinated or junior to Secured Indebtedness merely because it is unsecured, (2) Indebtedness will not be deemed to be subordinated or junior to any other Indebtedness merely because it is issued or guaranteed by other obligors or (3) Secured Indebtedness will not be deemed to be subordinated or junior to any other Secured Indebtedness merely because it has a junior priority Lien with respect to the same collateral.

If any Indebtedness is refinanced in reliance on a basket measured by reference to a percentage ofRun-Rate Adjusted EBITDA, and such refinancing would cause the percentage of Run-Rate Adjusted EBITDA to be exceeded if calculated based on the Run-Rate Adjusted EBITDA on the date of such refinancing, such percentage of Run-Rate Adjusted EBITDA will not be deemed to be exceeded to the extent the principal amount of such obligations secured by such newly incurred Indebtedness does not exceed the sum of (i) the principal amount of such Indebtedness being refinanced, *plus* (ii) the related costs incurred or payable in connection with such refinancing

SECTION 4.10. Asset Sales.

(a) The Issuer will not, and will not permit any Restricted Subsidiary to, consummate an Asset Sale, unless:

(i) the Issuer or such Restricted Subsidiary, as the case may be, receives consideration (including by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise, in connection with such Asset Sale) at least equal to the fair market value (measured at the time of contractually agreeing to such Asset Sale) of the assets sold or otherwise disposed of; and

(ii) except in the case of a Permitted Asset Swap, at least 75.0% of the consideration for such Asset Sale, together with all other Asset Sales since the Issue Date (on a cumulative basis), received by the Issuer or a Restricted Subsidiary, as the case may be, is in the form of cash or Cash Equivalents; *provided*, each of the following will be deemed to be cash or Cash Equivalents for purposes of this Section 4.10(a)(ii):

(A) any liabilities (as shown on the Issuer's or a Restricted Subsidiary's most recent balance sheet or in the footnotes thereto or if incurred or accrued subsequent to the date of such balance sheet, such liabilities that would have been reflected on the Issuer's or a Restricted Subsidiary's consolidated balance sheet or in the footnotes thereto if such incurrence or accrual had taken place on or prior to the date of such balance sheet, as determined in good faith by the Issuer) of the Issuer or any Restricted Subsidiary, other than liabilities that are by their terms subordinated in right of payment to the Notes or any Guarantor's Guarantee of the Notes, that (i) are assumed by the transferee of any such assets (or a third party in connection with such transfer) or (ii) are otherwise cancelled or terminated in connection with the transaction with such transferee (other than intercompany debt owed to the Issuer or a Restricted Subsidiary);

(B) any securities, notes or other obligations or assets received by the Issuer or a Restricted Subsidiary from such transferee or in connection with such Asset Sale (including earnouts and similar obligations) that are converted by the Issuer or a Restricted Subsidiary into cash or Cash Equivalents, or by their terms are required to be satisfied for cash or Cash Equivalents (to the extent of the cash or Cash Equivalents received) within 180 days following the closing of such Asset Sale;

(C) any Designated Non-cash Consideration received by the Issuer or a Restricted Subsidiary in such Asset Sale having an aggregate fair market value, taken together with all other Designated Non-cash Consideration received pursuant to this clause (C) that is at that time outstanding, not to exceed the greater of (x) $120.0 million and (y) 30% of Run-Rate Adjusted EBITDA of the Issuer for the most recently ended Test Period on the date of the receipt of such Designated Non-cash Consideration (or, at the Issuer's option, at the time of contractually agreeing to such Asset Sale), with the fair market value of each item of Designated Non-cash Consideration being measured, at the Issuer's option, either at the time of contractually agreeing to such Asset Sale or at the time received and, in either case, without giving effect to subsequent changes in value;

(D) Indebtedness of any Restricted Subsidiary that ceases to be a Restricted Subsidiary as a result of such Asset Sale (other than intercompany debt owed to the Issuer or a Restricted Subsidiary), to the extent that the Issuer and each other Restricted Subsidiary are released from any guarantee of payment of the principal amount of such Indebtedness in connection with such Asset Sale; and

(E) any Investment, Capital Stock, assets, property or capital or other expenditure of the kind referred to in Section 4.10(c)(ii).

(b) To the extent any Collateral is disposed of in a manner that is not prohibited by this Section 4.10 to any Person other than the Issuer or a Guarantor, such Collateral shall automatically be sold free and clear of the Liens created by this Indenture, the Notes, the Guarantees, the Notes Security Documents and the Intercreditor Agreements, and, if requested by the Notes Collateral Agent, upon the certification by the Issuer that such disposition is permitted by this Indenture, the Notes Collateral Agent shall be authorized to take any actions requested by the Issuer in order to effect or evidence the foregoing.

(c) Within 545 days after the receipt of any Net Proceeds of any Asset Sale (as may be extended pursuant to clause (ii) below, the "Asset Sale Proceeds Application Period"), the Issuer or a Restricted Subsidiary, at its option, may apply an amount up to the Net Proceeds from such Asset Sale (other than Excluded Proceeds):

(i) to repay:

(A) any First Lien Obligations (including the Notes) (and, if the Indebtedness repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto), provided, in the case of this clause (A), (i) if an offer to purchase any Indebtedness of the Issuer or any Restricted Subsidiary is made, such amount will be deemed repaid to the extent of the amount of such offer, whether or not accepted by the holders of such Indebtedness, and no Net Proceeds in the amount of such offer will be deemed to exist following such offer, and (ii) if the holder of any Indebtedness of a Restricted Subsidiary of the Issuer declines the repayment of such Indebtedness owed to it from such Net Proceeds, such amount will be deemed repaid to the extent of the declined Net Proceeds;

(B) if the assets or property disposed of in the Asset Sale were not Collateral, Obligations in respect of a Restricted Subsidiary that is not a Guarantor, or make an offer to repay such Obligations, other than Indebtedness owed to the Issuer or a Restricted Subsidiary; or

(C) if the assets or property disposed of in the Asset Sale were not Collateral, Obligations in respect of the Notes or any other Indebtedness (other than Subordinated Indebtedness); *provided* that if the Issuer or any Restricted Subsidiary shall so reduce First Lien Obligations pursuant to clause (A) or other Indebtedness under this clause (C), the Issuer will reduce Obligations under the Notes on a *pro rata* basis by, at its option, (i) redeeming Notes as described under Section 3.07, (ii) purchasing Notes through open-market purchases at a price equal to (or higher than) 100% of the principal amount thereof (or 100% of the accreted value thereof, if less), or (iii) making an offer (in accordance with the procedures set forth below for an Asset Sale Offer) to all Holders to purchase their Notes on a *pro rata* basis with such other Indebtedness for no less than 100% of the principal amount thereof (or 100% of the accreted value thereof, if less), *plus* the amount of accrued but unpaid interest, if any, on the principal amount of Notes to be repurchased to the date of repurchase;

provided, further, in the case of this clause (C), (i) if an offer to purchase any Indebtedness of the Issuer or any Restricted Subsidiary is made, such amount will be deemed repaid to the extent of the amount of such offer, whether or not accepted by the holders of such Indebtedness, and no Net Proceeds in the amount of such offer will be deemed to exist following such offer, and (ii) if the holder of any Indebtedness of a Restricted Subsidiary of the Issuer declines the repayment of such Indebtedness owed to it from such Net Proceeds, such amount will be deemed repaid to the extent of the declined Net Proceeds; or

(ii) to make (A) an Investment in any one or more businesses, (B) capital expenditures, (C) other expenditures made in connection with the construction or development of facilities operated or to be operated by the Issuer or a Restricted Subsidiary, (D) acquisitions of properties (including fee and leasehold interests) or (E) acquisitions of other assets, in the case of clauses (A), (D) and this clause (E), either (1) are or will be used or useful in a Similar Business or (2) that replace, in whole or in part, the properties or assets that are the subject of such Asset Sale; *provided*, in the case of this clause (ii), a binding commitment will be treated as a permitted application of the Net Proceeds from the date of such commitment so long as the Issuer or a Restricted Subsidiary enters into such commitment with the good faith expectation that such Net Proceeds will be applied to satisfy such commitment within 180 days of such commitment (or, if later, 545 days after the receipt of such Net Proceeds) (an "Acceptable Commitment") and, in the event that any Acceptable Commitment is later cancelled or terminated for any reason before the Net Proceeds are applied in connection therewith, the Issuer or a Restricted Subsidiary enters into another Acceptable Commitment (a "Second Commitment") within 180 days of such cancellation or termination (or, if later, 545 days after the receipt of such Net Proceeds); *provided, further*, that if any Second Commitment is later cancelled or terminated for any reason before such Net Proceeds are applied, then such Net Proceeds will constitute Excess Proceeds (as defined herein) (such 545-day period (as may be extended pursuant to this clause (ii) will constitute the "Proceeds Application Period"); or

(iii) any combination of the foregoing.

(d) Notwithstanding the foregoing, to the extent that any of or all the Net Proceeds of any Asset Sales by a Foreign Subsidiary is (x) prohibited or delayed by applicable local law from being repatriated to the United States or (y) restricted by the Organizational Documents from being repatriated to the United States, as determined by the Issuer in its sole discretion, the portion of such Net Proceeds so affected will not be required to be applied in compliance with this Section 4.10, and such amounts may be retained by the applicable Foreign Subsidiary so long, but only so long, as the applicable local law or applicable Organizational Documents will not permit repatriation to the United States (the Issuer hereby agreeing to use reasonable efforts to cause the applicable Foreign Subsidiary to take all actions reasonably required by the applicable local law, applicable organizational impediments or other impediment to permit such repatriation), and if such repatriation of any of such affected Net Proceeds is permitted under the applicable local law, such repatriation will be promptly effected and such repatriated Net Proceeds will be applied in compliance with this Section 4.10; provided, however, to the extent that the Issuer has determined in good faith that the repatriation to the United States of any or all of the Net Proceeds would have material adverse tax consequences, such Net Proceeds so affected may be retained by the applicable Foreign Subsidiary and will not be required to be applied in compliance with this Section 4.10. The non-application of any prepayment amounts as a consequence of the foregoing provisions will not, for the avoidance of doubt, constitute a Default or an Event of Default. For the avoidance of doubt, nothing in this Indenture will be

construed to require the Issuer or any Subsidiary to repatriate cash or to apply any Net Proceeds in the event that (x) such repatriation is not permitted under the applicable local law or Organizational Documents or there are material adverse tax consequences to repatriate such Net Proceeds, in each case, within the Proceeds Application Period or (y) the Proceeds Application Period has expired.

(e) The amount of Net Proceeds from Asset Sales, other than Excluded Proceeds, that are not invested or applied as provided and within the time period set forth in the second preceding paragraph (it being understood that any portion of such Net Proceeds used to make an offer to purchase Notes, as described in clause(c)(i)(C) above, will be deemed to have been so applied whether or not such offer is accepted) will be deemed to constitute "Excess Proceeds." When the aggregate amount of Excess Proceeds exceeds $100.0 million from and after the Issue Date, the Issuer will make an offer to all Holders and, at the option of the Issuer, (i) to any holders of any other First Lien Obligations Indebtedness and (ii) in the case of proceeds from assets not constituting Collateral, to any holders of any Indebtedness that is pari passu with the Notes ("Pari Passu Indebtedness") (such offer, an "Asset Sale Offer"), to purchase the maximum aggregate principal amount of the Notes and such other First Lien Obligations or Pari Passu Indebtedness, as applicable, that are in an amount equal to at least $2,000, or an integral multiple of $1,000 in excess of $2,000, that may be purchased out of the Excess Proceeds at an offer price, in the case of the Notes, in cash in an amount equal to 100.0% of the principal amount thereof (or accreted value thereof, if less), plus accrued and unpaid interest, if any (or, in respect of such other First Lien Obligations or Pari Passu Indebtedness, as applicable, such other price, if any, as may be provided for by the terms of such other First Lien Obligations or Pari Passu Indebtedness, as applicable), to, but excluding, the date fixed for the closing of such offer, in accordance with the procedures set forth in Section 3.09 and the agreement governing such other First Lien Obligations or Pari Passu Indebtedness, as applicable. The Issuer will commence an Asset Sale Offer with respect to Excess Proceeds within thirty days after the date that Excess Proceeds exceed $100.0 million by mailing or electronically delivering the notice required pursuant to Section 3.09, with a copy to the Trustee or otherwise in accordance with Applicable Procedures. The Issuer may satisfy the foregoing obligation with respect to any Net Proceeds from an Asset Sale by making an offer to purchase Notes with respect to all or part of the available Net Proceeds (the "Advance Portion") prior to the expiration of the Asset Sale Proceeds Application Period with respect to all or a part of the available Net Proceeds in advance of being required to do so by this Indenture (the "Advance Offer").

To the extent that the aggregate principal amount (or accreted value, as applicable) of Notes and such other First Lien Obligations or Pari Passu Indebtedness, as applicable, tendered pursuant to an Asset Sale Offer is less than the Excess Proceeds (or in the case of an Advance Offer, the Advance Portion), the Issuer may use any remaining Excess Proceeds (or in the case of an Advance Offer, the Advance Portion) in any manner not prohibited by this Indenture (any such remaining Excess Proceeds and Advance Portion amount together with the aggregate amount of Excluded Proceeds, "Declined Excess Proceeds"). The Issuer and its Restricted Subsidiaries may use any Excluded Proceeds in any manner not prohibited by this Indenture. Upon completion of any such Asset Sale Offer, for purposes of this provision the amount of Excess Proceeds (or in the case of an Advance Offer, the Advance Portion) that resulted in the Asset Sale Offer will be reset to zero (regardless of whether there are any remaining Excess Proceeds (or Advance Portion) upon such completion). An Asset Sale Offer may be made at the same time as consents are solicited with respect to an amendment, supplement or waiver of this Indenture, Notes and/or Guarantees, including any amendment, supplement or waiver to make an Asset Sale Offer (but the Asset Sale Offer may not condition tenders on the delivery of such consents).

(f) Pending the final application of any Net Proceeds pursuant to this Section 4.10, the holder of such Net Proceeds may apply such Net Proceeds temporarily to reduce Indebtedness outstanding under a revolving credit facility, including under the Senior Credit Facilities, or otherwise invest such Net Proceeds in any manner not prohibited by this Indenture.

(g) The Issuer will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws or regulations are applicable in connection with the repurchase of the Notes pursuant to an Asset Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with the provisions of this Indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations described in this Indenture by virtue thereof.

(h) The Issuer's obligation to make an offer to repurchase the Notes pursuant to this Section 4.10 may be waived or modified with the written consent of the Holders of a majority in principal amount of the then outstanding Notes, including after the consummation of the Asset Sale.

SECTION 4.11. Transactions with Affiliates.

(a) The Issuer will not, and will not permit any Restricted Subsidiary to, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate of the Issuer (each of the foregoing, an "Affiliate Transaction") involving aggregate payments or consideration in excess of $40.0 million, unless:

(i) such Affiliate Transaction is on terms, taken as a whole, that are not materially less favorable to the Issuer or the relevant Restricted Subsidiaries than those that would have been obtained at such time in a comparable transaction by the Issuer or such Restricted Subsidiary with an unrelated Person on an arm's-length basis, or if in the good faith judgment of the Board of Directors, no comparable transaction is available with which to compare such Affiliate Transaction, such Affiliate Transaction is otherwise fair to the Issuer or such Restricted Subsidiary from a financial point of view; and

(ii) the Issuer delivers to the Trustee with respect to any Affiliate Transaction or series of related Affiliate Transactions requiring aggregate payments or consideration in excess of $100.0 million, a resolution adopted by the majority of the Board of Directors approving such Affiliate Transaction and set forth in an Officer's Certificate certifying that such Affiliate Transaction complies with clause (i) of this Section 4.11(a).

(b) The foregoing Section 4.11(a) will not apply to the following:

(i) (A) transactions between or among the Issuer and one or more Restricted Subsidiaries or between or among Restricted Subsidiaries, or, in any case, any entity that becomes a Restricted Subsidiary as a result of such transaction, and (B) any merger, consolidation or amalgamation of the Issuer and any Parent Company; *provided*, such merger, consolidation or amalgamation of the Issuer is otherwise in compliance with the terms of this Indenture and effected for a bona fide business purpose;

(ii) (A) Restricted Payments permitted by Section 4.07 hereof (including any transaction specifically excluded from the definition of the term "Restricted Payments," including pursuant to the exceptions contained in the definition thereof and the parenthetical exclusions of such definition) and (B) Investments constituting "Permitted Investments" or any acquisition otherwise permitted by this Indenture;

(iii) (A) the payment of management, consulting, monitoring, transaction, advisory and other fees, indemnities and expenses pursuant to the Management Services Agreement (including any unpaid management, consulting, monitoring, transaction, advisory and other fees, indemnities and expenses accrued in any prior year) and any termination fees pursuant to the Management Services Agreement, or any amendment thereto or replacement thereof so long as any such amendment or replacement is not materially disadvantageous in the good faith judgment of the Board of Directors to the Holders when taken as a whole, as compared to the Management Services Agreement as in effect on the Issue Date or as described in the Offering Memorandum, (B) the payment of indemnification and similar amounts to, and reimbursement of expenses to, the Investors and their officers, directors, employees and affiliates, in each case, approved by, or pursuant to arrangements approved by, the Board of Directors, (C) payments, loans, advances or guarantees (or cancellation of loans, advances or guarantees) to future, present or former employees, officers, directors, managers, consultants or independent contractors or guarantees in respect thereof for bona fide business purposes or in the ordinary course of business or consistent with industry practice, (D) any subscription agreement or similar agreement pertaining to the repurchase of Equity Interests pursuant to put/call rights or similar rights with current, former or future officers, directors, employees, managers, consultants and independent contractors of the Issuer or any of its Subsidiaries or of any Parent Company and (E) any payment of compensation or other employee compensation, benefit plan or arrangement, any health, disability or similar insurance plan which covers current, former or future officers, directors, employees, managers, consultants and independent contractors of the Issuer or any of its Subsidiaries or any Parent Company;

(iv) the payment of fees and compensation paid to, and indemnities and reimbursements and employment and severance arrangements provided to, or on behalf of, or for the benefit of, present, future or former employees, directors, officers, members of management or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members or any permitted transferees thereof) of the Issuer, any Parent Company or any Restricted Subsidiary;

(v) transactions in which the Issuer or any Restricted Subsidiary, as the case may be, delivers to the Trustee a letter from an Independent Financial Advisor stating that such transaction is fair to the Issuer or such Restricted Subsidiary from a financial point of view or stating that the terms, when taken as a whole, are not materially less favorable to the Issuer or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Issuer or such Restricted Subsidiary with an unrelated Person on an arm's-length basis;

(vi) the existence of, or the performance by the Issuer, any Restricted Subsidiary of its obligations under the terms of, any agreement as in effect as of the Issue Date, or any amendment thereto or replacement thereof (so long as any such amendment or replacement is not materially disadvantageous in the good faith judgment of the Board of Directors to the Holders when taken as a whole as compared to the applicable agreement as in effect on the Issue Date);

(vii) the existence of, or the performance by the Issuer or any Restricted Subsidiary of its obligations under the terms of, any equity holder agreement or the equivalent (including any registration rights agreement or purchase agreement related thereto) to which it is a party as of the Issue Date and any amendment thereto and similar agreements or arrangements that it may enter into thereafter; *provided*, the existence of, or the performance by the Issuer or any Restricted Subsidiary of obligations under any future amendment to any such existing agreement or arrangement or under any similar agreement or arrangement entered into after the Issue Date will be permitted by this clause (vii) to the extent that the terms of any such amendment or new agreement or arrangement are not otherwise materially disadvantageous in the good faith judgment of the Board of Directors to the Holders when taken as a whole (as compared to the original agreement or arrangement in effect on the Issue Date);

(viii) the Transactions and the payment of all fees and expenses related to the Transactions, including Transaction Expenses;

(ix) transactions with customers, clients, suppliers, contractors, joint venture partners or purchasers or sellers of goods or services, or transactions otherwise relating to the purchase or sale of goods or services, in each case in the ordinary course of business or consistent with industry practice and otherwise in compliance with the terms of this Indenture that are fair to the Issuer and the Restricted Subsidiaries, in the reasonable determination of the Board of Directors or the senior management of the Issuer, or are on terms at least as favorable as might reasonably have been obtained at such time from an unaffiliated party;

(x) the issuance, sale or transfer of Equity Interests (other than Disqualified Stock) of the Issuer or any Parent Company to any Person and the granting and performing of customary rights (including registration rights) in connection therewith, and any contribution to the capital of the Issuer;

(xi) sales of accounts receivable, or participations therein, or Securitization Assets or related assets in connection with any Qualified Securitization Facility and any other transaction effected in connection with a Qualified Securitization Facility or a financing related thereto;

(xii) payments by the Issuer or any Restricted Subsidiary made for any financial advisory, consulting, financing, underwriting or placement services or in respect of other investment banking activities, including in connection with acquisitions or divestitures, which payments are approved by, or made pursuant to arrangements approved by, a majority of the Board of Directors in good faith;

(xiii) payments with respect to Indebtedness, Disqualified Stock and other Equity Interests (and cancellation of any thereof) of the Issuer, any Parent Company and any Restricted Subsidiary and Preferred Stock (and cancellation of any thereof) of any Restricted Subsidiary to any future, current or former employee, director, officer, member of management or consultant (or their respective Controlled Investment Affiliates or Immediate Family Members or permitted transferees) of the Issuer, any of its Subsidiaries or any Parent Company pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or agreement or any equity subscription or equity holder agreement that are, in each case, approved by the Issuer in good faith; and any employment agreements, severance arrangements, stock option plans and other compensatory arrangements (and any successor plans thereto) and any supplemental executive retirement benefit plans or arrangements with any such employees, directors, officers, members of management or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members or any permitted transferees thereof) that are, in each case, approved by the Issuer in good faith;

(xiv) (A) investments by Affiliates in securities of the Issuer or any Restricted Subsidiary (and payment of reasonableout-of-pocket expenses incurred by such Affiliates in connection therewith) so long as the investment is being offered by the Issuer or such Restricted Subsidiary generally to other investors on the same or more favorable terms and (B) payments to Affiliates in respect of securities of the Issuer or any Restricted Subsidiary contemplated in the foregoing subclause (A) or that were acquired from Persons other than the Issuer and the Restricted Subsidiaries, in each case, in accordance with the terms of such securities;

(xv) payments to or from, and transactions with, any joint venture or Unrestricted Subsidiary in the ordinary course of business or consistent with past practice or consistent with industry practice or industry norms (including, any cash management activities related thereto);

(xvi) payments by the Issuer (and any Parent Company) and its Subsidiaries pursuant to tax sharing agreements among the Issuer (and any Parent Company) and its Subsidiaries; *provided*, in each case the amount of such payments in any taxable year does not exceed the amount that the Issuer, its Restricted Subsidiaries and its Unrestricted Subsidiaries (to the extent of amount received from Unrestricted Subsidiaries) would be required to pay in respect of foreign, federal, state and local taxes for such taxable year were the Issuer, its Restricted Subsidiaries and its Unrestricted Subsidiaries (to the extent described above) to pay such taxes separately from any such Parent Company;

(xvii) any lease entered into between the Issuer or any Restricted Subsidiary, as lessee, and any Affiliate of the Issuer, as lessor, and transactions pursuant to that lease which lease is approved by the Board of Directors or senior management of the Issuer in good faith;

(xviii) intellectual property licenses in the ordinary course of business or consistent with industry practice;

(xix) the payment of reasonable out-of-pocket costs and expenses relating to registration rights and indemnities provided to equity holders of the Issuer or any Parent Company pursuant to the equity holders agreement or the registration rights agreement entered into on or after the Issue Date;

(xx) transactions permitted by, and complying with, the provisions of Section 5.01 solely for the purpose of (A) reorganizing to facilitate any initial public offering of securities of the Issuer or any Parent Company, (B) forming a holding company or (C) reincorporating the Issuer in a new jurisdiction;

(xxi) transactions undertaken in good faith (as determined by the Board of Directors or certified by senior management of the Issuer in an Officer's Certificate) for the purposes of improving the consolidated tax efficiency of the Issuer and its Restricted Subsidiaries and not for the purpose of circumventing any covenant set forth in this Indenture;

(xxii) (A) transactions with a Person that is an Affiliate of the Issuer (other than an Unrestricted Subsidiary) solely because the Issuer or any Restricted Subsidiary owns Equity Interests in such Person and (B) transactions with any Person that is an Affiliate solely because a director or officer of such Person is a director or officer of the Issuer, any Restricted Subsidiary or any Parent Company;

(xxiii) (A) pledges and other transfers of Equity Interests in Unrestricted Subsidiaries and (B) any transactions with an Affiliate in which the consideration paid consists solely of Equity Interests of the Issuer or a Parent Company;

(xxiv) the sale, issuance or transfer of Equity Interests (other than Disqualified Stock) of the Issuer;

(xxv) investments by any Investor or a Parent Company in securities of the Issuer or any Guarantor; and

(xxvi) payments on the Notes in accordance with this Indenture, payments on the Existing Notes in accordance with the Existing Notes Indenture and payments of Obligations under the Credit Facilities and payments in respect of Obligations under other Indebtedness of the Issuer and its Subsidiaries held by Affiliates; *provided* that such Obligations were acquired by an Affiliate of the Issuer in compliance with this Indenture.

SECTION 4.12. Liens.

(a) (i) Prior to a Covenant Suspension Event or following any Reversion Date and during any period when there is no election by the Issuer pursuant to Section 4.12(b), the Issuer will not, and will not permit any Subsidiary Guarantor to, directly or indirectly, create, incur or assume any Lien (except Permitted Liens) that secures Obligations under any Indebtedness or any related guarantee of Indebtedness, on any asset or property of the Issuer or any Subsidiary Guarantor, or any income or profits therefrom, or assign or convey any right to receive income therefrom, unless:

(A) in the case of Liens upon any property, assets or proceeds that are not at such time Collateral securing Subordinated Indebtedness, the Notes and related Guarantees are secured by a Lien that is senior in priority to such Liens on such property, assets or proceeds such that the property, assets or proceeds subject to such Lien will constitute Collateral under this Indenture and the Notes Security Documents, subject, in each case, to Permitted Liens until such time as such Subordinated Indebtedness is no longer secured by such Liens; and

(B) in the case of Liens upon any property, assets or proceeds that are not at such time Collateral securing any First Lien Obligations, the Notes and related Guarantees are secured by a first-priority Lien on such property, assets or proceeds such that the property, assets or proceeds subject to such Lien will constitute Collateral under this Indenture and the Notes Security Documents, subject, in each case, to Permitted Liens until such time as such Obligations are no longer secured by such Liens (for the avoidance of doubt, to the extent that this Indenture permits Obligations to be secured by Liens on a first-lien priority basis, such Liens may be incurred on a junior basis);

(ii) except that the foregoing restrictions will not apply to or restrict (A) Liens securing obligations in respect of the Notes (other than Additional Notes) and the related Guarantees, (B) Liens securing obligations in respect of Indebtedness permitted to be incurred under any Credit Facility, including any letter of credit facility relating thereto, that was incurred prior to the Issue Date or permitted by the terms of this Indenture to be incurred pursuant to Section 4.09(b)(i)(A), and (C) Liens on the Collateral securing obligations in respect of Indebtedness permitted to be incurred pursuant to Section 4.09; *provided*, at the time of incurrence after the Issue Date (or, in the case of Indebtedness under Designated Revolving Commitments, on the date such Designated Revolving Commitments are established after the Issue Date and after giving *pro forma* effect to the incurrence of the entire committed amount of Indebtedness thereunder, in which case such committed amount under such Designated Revolving Commitments may thereafter be borrowed and reborrowed, in whole or in part, from time to time, without further compliance with this subclause) and after giving *pro forma* effect thereto and the application of the net proceeds therefrom, (1) if such Indebtedness is secured on a pari passu basis with the Liens that secure the Notes (or, at the election of the Issuer, Indebtedness secured on a junior basis with the Liens that secure the Notes or unsecured), the Issuer's First Lien Net Leverage Ratio for the most recently ended Test Period on such date would not exceed 4.00:1.00 and (2) if such Indebtedness is secured on a junior basis to the Liens that secure the Notes (or, at the election of the Issuer, unsecured), the Issuer's Total Net Leverage Ratio for the most recently ended Test Period on such date would not exceed 5.10 to 1.00 (it being understood that solely for the purpose of calculating (x) the First Lien Net Leverage Ratio in connection with calculating the

amount of Indebtedness to be incurred under clause(1), any outstanding Indebtedness Incurred under such clause (1) that is (I) secured on a junior basis to the Notes or (II) unsecured will nevertheless be deemed to be secured on a pari passu basis with the Notes or (y) the Total Net Leverage Ratio in connection with calculating clause (2), any outstanding Indebtedness Incurred under such clause (2) that is unsecured will nevertheless be deemed to be secured by a Lien).

(b) During a Covenant Suspension Event, the Issuer may elect by written notice to the Trustee to be subject to an alternative covenant with respect to the limitation on Liens in lieu of Section 4.12(a)(i) pursuant to which the Issuer will not and will not permit any of its Principal Property Subsidiaries to, directly or indirectly, create, incur or suffer to exist any Lien of any kind upon any (1) Restricted Property or (2) shares of Capital Stock or evidence of Indebtedness for borrowed money issued by any Principal Property Subsidiary, whether owned at the Issue Date or thereafter acquired, without making effective provision whereby the Notes and the Guarantees will be secured by such Lien equally and ratably with any and all other Indebtedness or obligations thereby secured, so long as such Indebtedness or obligations will be so secured; *provided*, *however*, that the foregoing shall not apply to any of the following:

(i) Liens existing on the Suspension Date;

(ii) Liens on property or Equity Interests or other assets of a Person at the time such Person becomes a Subsidiary; *provided*, such Liens are not created or incurred in connection with, or in contemplation of, such other Person becoming such a Subsidiary; *provided*, *further*, such Liens are limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof and after-acquired property) that secured the obligations to which such Liens relate;

(iii) Liens in favor of the Issuer or any Guarantor;

(iv) Liens to secure any modification, refinancing, refunding, extension, renewal or replacement (or successive modification, refinancing, refunding, extensions, renewals or replacements) as a whole, or in part, of any of the foregoing; *provided*, (A) such new Lien will be limited to all or part of the same property (plus improvements, accessions, proceeds or dividends or distributions in respect thereof and after-acquired property) that secured the original Lien (plus improvements and accessions on such property) and proceeds and products thereof, and (B) the Indebtedness secured by such Lien at such time is not increased to any amount greater than the sum of (1) the outstanding principal amount or, if greater, committed amount of the Indebtedness at the time the original Lien became a Permitted Lien under this Indenture, *plus* (2) an amount necessary to pay any fees and expenses (including original issue discount, upfront fees, defeasance costs, underwriting discounts or similar fees) and premiums (including tender premiums and accrued and unpaid interest), related to such refinancing, refunding, extension, renewal or replacement;

(v) Liens imposed by law, such as landlords', carriers', warehousemen's, materialmen's, repairmen's, construction and mechanics' Liens and other similar Liens and (A) for sums not yet overdue for a period of more than 60 days or, if more than 60 days overdue, are unfiled and no other action has been taken to enforce such Liens or (B) being contested in good faith by appropriate actions or other Liens arising out of or securing judgments or awards against such Person with respect to which such Person will then be proceeding with an appeal or other proceedings for review if such Liens are adequately bonded or adequate reserves with respect thereto are maintained on the books of such Person in accordance with GAAP;

(vi) Liens for taxes, assessments or other governmental charges not yet overdue for a period of more than 30 days or not yet payable or not subject to penalties for nonpayment or which are being contested in good faith by appropriate actions if adequate reserves with respect thereto are maintained on the books of such Person in accordance with GAAP;

(vii) Liens, pledges or deposits by such Person (A) made in connection with workmen's compensation laws, unemployment insurance, health, disability or employee benefits, other social security laws or similar legislation or regulations, (B) insurance-related obligations (including, but not limited to, in respect of deductibles, self-insured retention amounts and premiums and adjustments thereto) securing reimbursement or indemnification obligations of (including obligations in respect of letters of credit, bank guarantees or similar instruments for the benefit of) insurance carriers providing property, casualty or liability insurance, or otherwise supporting the payment of items set forth in the foregoing clause (A), or (C) bids, tenders, contracts, statutory obligations, surety, indemnity, warranty, release, appeal or similar bonds, or with regard to other regulatory requirements, completion guarantees, stay, customs and appeal bonds, performance bonds, bankers' acceptance facilities, and other obligations of like nature (including those to secure health, safety and environmental obligations) (other than for the payment of Indebtedness) or leases to which such Person is a party, or deposits to secure public or statutory obligations of such Person or deposits of cash or U.S. government bonds to secure surety or appeal bonds to which such Person is a party, or deposits as security for the payment of rent, contested taxes or import duties and obligations in respect of letters of credit, bank guarantees or similar instruments that have been posted to support the same, in each case incurred in the ordinary course of business or consistent with industry practice; and

(viii) Liens for the sole purpose of extending, renewing or replacing (or unsuccessfully extending, renewing or replacing) in whole or in part any of the foregoing.

(c) Notwithstanding the provisions of Section 4.12(b), the Issuer or any Principal Property Subsidiary may, without equally and ratably securing the Notes or the Guarantees, create or assume Liens which would otherwise be subject to the foregoing restrictions if at the time of such creation or assumption, and after giving effect thereto, Exempted Indebtedness does not exceed 10% of Consolidated Total Assets.

(d) For purposes of determining compliance with this Section 4.12, in the event that a proposed Lien (or a portion thereof) meets the criteria of one or more of the categories described in Section 4.12(a)(i) and/or one or more of the clauses contained in the definition of "Permitted Liens," the Issuer will be entitled to divide or classify (or later divide, classify or reclassify in whole or in part in its sole discretion) such Lien (or any portion thereof) among one or more of the categories described under Section 4.12(a) and/or one or more clauses contained in the definition of "Permitted Liens," in a manner that otherwise complies with this Section 4.12.

(e) Any Lien created for the benefit of the Holders pursuant to this Section 4.12 will be deemed automatically and unconditionally released and discharged upon the release and discharge of each of the Liens described in clauses (A) and (B) of Section 4.12(a)(i) or upon such Liens no longer attaching to assets or property of the Issuer or a Guarantor.

(f) The expansion of Liens by virtue of accretion or amortization of original issue discount, the payment of dividends in the form of Indebtedness and increases in the amount of Indebtedness outstanding solely as a result of fluctuations in the exchange rate of currencies will not be deemed to be an incurrence of Liens for purposes of this Section 4.12.

SECTION 4.13. Company Existence. Subject to Article V hereof, the Issuer shall do or cause to be done all things necessary to preserve and keep in full force and effect its company existence, and the corporate, partnership or other existence of each of its Restricted Subsidiaries, in accordance with the respective organizational documents (as the same may be amended from time to time) of the Issuer or any such Restricted Subsidiary; *provided* that the Issuer shall not be required to preserve the corporate, partnership or other existence of its Restricted Subsidiaries, if the Issuer in good faith shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Issuer and its Restricted Subsidiaries, taken as a whole.

SECTION 4.14. Offer to Repurchase Upon Change of Control.

(a) If a Change of Control occurs after the Issue Date, unless the Issuer or another Person has previously or concurrently electronically delivered or mailed a redemption notice with respect to all the outstanding Notes as described under Section 3.07 or Article XII, the Issuer will make an offer to purchase all of the Notes pursuant to the offer described below (the "Change of Control Offer") at a price in cash (the "Change of Control Payment") equal to 101.0% of the aggregate principal amount thereof plus accrued and unpaid interest, if any, to, but excluding, the date of repurchase, subject to the right of Holders of record on the relevant Record Date to receive interest due on the relevant Interest Payment Date prior to such repurchase.

Prior to or within 60 days following any Change of Control, the Issuer will send notice of such Change of Control Offer electronically or by first-class mail, with a copy to the Trustee, to each Holder to the address of such Holder appearing in the Note Register or otherwise in accordance with the Applicable Procedures, with the following information:

(i) a Change of Control Offer is being made pursuant to this Section 4.14 and all Notes properly tendered pursuant to such Change of Control Offer will be accepted for payment by the Issuer;

(ii) the purchase price and the purchase date, which will be no earlier than 10 days nor later than 90 days from the date such notice is mailed or otherwise delivered (the "Change of Control Payment Date"), subject to extension (in the case where such notice is mailed or otherwise delivered prior to the occurrence of the Change of Control) in the event that the occurrence of the Change of Control is delayed;

(iii) any Note not properly tendered will remain outstanding and continue to accrue interest;

(iv) unless the Issuer defaults in the payment of the Change of Control Payment, all Notes accepted for payment pursuant to the Change of Control Offer will cease to accrue interest on the Change of Control Payment Date;

(v) Holders electing to have any Notes purchased pursuant to a Change of Control Offer will be required to surrender such Notes, with the form entitled "Option of Holder to Elect Purchase" on the reverse of such Notes completed, to the Paying Agent at the address specified in the notice or otherwise in accordance with the Applicable Procedures, prior to the close of business on the third Business Day preceding the Change of Control Payment Date;

(vi) Holders will be entitled to withdraw their tendered Notes and their election to require the Issuer to purchase such Notes; *provided*, the Paying Agent receives, not later than the close of business on the second Business Day prior to the expiration date of the Change of Control Offer, a facsimile transmission or letter or other notice in accordance with the Applicable Procedures setting forth the name of the Holder, the principal amount of Notes tendered for purchase, and a statement that such Holder is withdrawing its tendered Notes and its election to have such Notes purchased;

(vii) Holders whose Notes are being purchased only in part will be issued new Notes and such new Notes will be equal in principal amount to the unpurchased portion of the Notes surrendered, *provided*, the unpurchased portion of the Notes must be equal to at least $2,000 or any integral multiple of $1,000 in excess of $2,000;

(viii) if such notice is delivered prior to the occurrence of a Change of Control, stating that the Change of Control Offer is conditional on the occurrence of such Change of Control and describing each such condition and, if applicable, stating that, in the Issuer's discretion, the Change of Control Payment Date may be delayed until such time (including more than 90 days after the date the notice of redemption was mailed or delivered, including by electronic transmission) as any or all such conditions are satisfied (or waived by the Issuer in its sole discretion), or such redemption or purchase may not occur and such notice may be rescinded or modified in the event that any or all such conditions are not satisfied (or waived by the Issuer in its sole discretion) by the Change of Control Payment Date, or by the Change of Control Payment Date as so delayed, or such notice may be rescinded at any time in the Issuer's discretion if in the good faith judgment of the Issuer any or all of such conditions will not be satisfied. In addition, the Issuer may provide in such notice that payment of the redemption price and performance of the Issuer's obligations with respect to such redemption may be performed by another Person; and

(ix) the other instructions, as determined by the Issuer, consistent with this Section 4.14, that a Holder must follow in order to have its Notes repurchased.

The Issuer will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws or regulations are applicable in connection with the repurchase of Notes by the Issuer pursuant to a Change of Control Offer. To the extent that the provisions of any securities laws or regulations conflict with the provisions of this Indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations described in this Indenture by virtue thereof.

(b) On the Change of Control Payment Date, the Issuer will, to the extent permitted by law:

(i) accept for payment all Notes or portions thereof properly tendered pursuant to the Change of Control Offer;

(ii) deposit with the Paying Agent an amount equal to the aggregate Change of Control Payment in respect of all Notes or portions thereof so tendered; and

(iii) deliver, or cause to be delivered, to the Trustee (A) an Officer's Certificate to the Trustee stating that such Notes or portions thereof have been tendered to and purchased by the Issuer and (B) at the Issuer's option, the Notes so accepted for cancellation.

(c) The Issuer will not be required to make a Change of Control Offer following a Change of Control (i) if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in this Indenture applicable to a Change of Control Offer made by the Issuer and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer, (ii) in connection with or in contemplation of any Change of Control, the Issuer (or any Affiliate of the Issuer) or a third party has made an offer to purchase, at the times and otherwise in compliance with the requirements set forth in this Indenture applicable to a Change of Control Offer (an "Alternate Offer"), any and all Notes validly tendered at a cash price equal to or higher than the Change of Control Payment and has purchased all Notes properly tendered in accordance with the terms of the Alternate Offer or (iii) the Issuer or another Person has previously issued a notice of a full redemption pursuant to the provisions set forth under Section 3.07.

(d) A Change of Control Offer or Alternate Offer may be made in advance of a Change of Control and conditional upon such Change of Control, if a definitive agreement is in place for the Change of Control at the time of making of the Change of Control Offer or Alternate Offer.

(e) A Change of Control Offer or Alternate Offer may be made at the same time as consents are solicited with respect to an amendment, supplement or waiver of this Indenture, Notes and/or Guarantees, including any amendment, supplement or waiver with respect to making a Change of Control Offer or Alternate Offer (but the Change of Control Offer or Alternate Offer may not condition tenders on the delivery of such consents).

(f) Other than as specifically provided in this Section 4.14, any purchase pursuant to this Section 4.14 shall be made pursuant to the provisions of Sections 3.02, 3.05 and 3.06 hereof, and references therein to "redeem," "redemption," "Redemption Date" and similar words shall be deemed to refer to "purchase," "repurchase," "Change of Control Payment Date" and similar words, as applicable.

(g) The Issuer's obligation to make an offer to repurchase the Notes pursuant to this Section 4.14 may be waived or modified (at any time, including after a Change of Control or in connection with a Change of Control Offer or Alternate Offer) with the written consent of the Holders of a majority in principal amount of the Notes then outstanding.

SECTION 4.15. Limitation on Guarantees of Indebtedness by Restricted Subsidiaries. (a) The Issuer will not permit any of its Wholly-Owned Subsidiaries that are Restricted Subsidiaries (and non-Wholly-Owned Subsidiaries if such non-Wholly-Owned Subsidiary guarantees Indebtedness under a Credit Facility or Capital Markets Indebtedness of the Issuer or any Guarantor), other than a Guarantor or an Excluded Subsidiary, to guarantee the payment of (i) any Indebtedness of the Issuer or any Guarantor under a Credit Facility incurred under Section 4.09(b)(i) or (ii) Capital Markets Indebtedness of the Issuer or any Guarantor, in each case, having an aggregate principal amount outstanding in excess of $50.0 million unless:

(i) such Restricted Subsidiary within 30 days executes and delivers a supplemental indenture to this Indenture, the form of which is attached as Exhibit D hereto, providing for a Guarantee by such Restricted Subsidiary, except that with respect to a guarantee of Indebtedness of the Issuer or any Guarantor:

(A) if the Notes or such Guarantor's Guarantee are subordinated in right of payment to such Indebtedness, the Guarantee under the supplemental indenture will be subordinated to such Restricted Subsidiary's guarantee with respect to such Indebtedness substantially to the same extent as the Notes are subordinated to such Indebtedness; and

(B) if such Indebtedness is by its express terms subordinated in right of payment to the Notes or such Guarantor's Guarantee, any such guarantee by such Restricted Subsidiary with respect to such Indebtedness will be subordinated in right of payment to such Guarantee substantially to the same extent as such Indebtedness is subordinated to the Notes; and

(ii) such Restricted Subsidiary waives and will not in any manner whatsoever claim or take the benefit or advantage of, any rights of reimbursement, indemnity or subrogation or any other applicable rights against the Issuer or any other Restricted Subsidiary as a result of any payment by such Restricted Subsidiary under its Guarantee;

provided, this Section 4.15 will not be applicable to any guarantee of any Restricted Subsidiary that existed at the time such Person became a Restricted Subsidiary and was not incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary. The Issuer may elect, in its sole discretion, to cause any Subsidiary that is not otherwise required to be a Guarantor to become a Guarantor, in which case such Subsidiary will not be required to comply with clause (i) or (ii) of this Section 4.15(a) and such Guarantee may be released at any time in the Issuer's sole discretion.

(b) Each Person that becomes a Guarantor after the Issue Date shall, subject to the provisions of the Collateral and Guarantee Requirement and any applicable limitation in this Indenture and any Notes Security Document, also become a party to the applicable Notes Security Documents pursuant to the terms of this Indenture and, within the time periods set forth in this Indenture and the applicable Notes Security Documents; shall as promptly as practicable execute and deliver such security instruments, financing statements, mortgages, deeds of trust (in substantially the same form as those executed and delivered with respect to the Collateral on the Issue Date or on the date first delivered in the case of Collateral that this Indenture provides may be delivered after the Issue Date (to the extent, and substantially in the form, delivered on the Issue Date or the date first delivered, as applicable (but no greater scope)) as may be necessary to vest in the Notes Collateral Agent a perfected first-priority security interest (subject to Liens permitted by Section 4.12 and Permitted Liens) in properties and assets that constitute Collateral, as security for such Guarantor's Guarantee; and as may be necessary have such property or asset added to the Collateral as required under, and subject to the limitations set forth in, the Notes Security Documents and this Indenture, and thereupon all provisions of this Indenture relating to the Collateral shall be deemed to relate to such properties and assets to the same extent and with the same force and effect.

SECTION 4.16. Suspension of Covenants.

(a) During any period of time that (i) the Notes have an Investment Grade Rating (including in connection with a Change of Control) and (ii) no Default has occurred and is continuing under this Indenture (the occurrence of the events described in the foregoing clauses (i) and (ii) being collectively referred to as a "Covenant Suspension Event" and the date thereof being referred to as the "Suspension Date") then, the Guarantees and the Collateral will be automatically and unconditionally released and discharged and the Issuer and the Restricted Subsidiaries will not be subject to Section 4.07, Section 4.08, Section 4.09, Section 4.10, Section 4.11, upon the making of the election in Section 4.12(b), 4.12(a) (in which case Section 4.12(b) will apply), Section 4.15, Section 5.01(a)(i)(D) and 5.01(d) hereof shall not be applicable to the Notes (collectively, the "Suspended Covenants").

(b) During a Suspension Period (as defined herein), the Issuer may not designate any of its Subsidiaries as Unrestricted Subsidiaries unless such designation would have complied with Section 4.07 as if such Section were in effect during such period.

(c) In the event that the Issuer and its Restricted Subsidiaries are not subject to the Suspended Covenants under this Indenture for any period of time as a result of the foregoing, and on any subsequent date (the "Reversion Date") the Notes no longer have an Investment Grade Rating, then the Issuer and its Restricted Subsidiaries will thereafter again be subject to the Suspended Covenants under this Indenture with respect to future events. The period of time between the Suspension Date and the Reversion Date is referred to in this Indenture as the "Suspension Period." The Guarantees of the Guarantors will be suspended during the Suspension Period and the Collateral pledged by the Issuer and the Guarantors will be released. Additionally, upon the occurrence of a Covenant Suspension Event, the amount of Excess Proceeds from Net Proceeds will be reset to zero for purposes of Section 4.10.

(d) In the event of any such reinstatement, no action taken or omitted to be taken by the Issuer or any Restricted Subsidiary or events occurring prior to such reinstatement will give rise to a Default or Event of Default under this Indenture with respect to the Notes; *provided*,

(i) with respect to Restricted Payments made after the Reversion Date, the amount of Restricted Payments made will be calculated as though Section 4.07 had been in effect prior to, but not during, the Suspension Period;

(ii) all Indebtedness incurred, or Disqualified Stock or Preferred Stock issued, during the Suspension Period will be classified to have been incurred or issued pursuant to Section 4.09(b)(iii);

(iii) any Affiliate Transaction entered into after the Reversion Date pursuant to an agreement entered into during any Suspension Period will be deemed to be permitted pursuant to Section 4.11(b)(vi);

(iv) any encumbrance or restriction on the ability of any Restricted Subsidiary that is not a Guarantor to take any action described in clauses (i) through (iii) of Section 4.08(a) that becomes effective during any Suspension Period will be deemed to be permitted pursuant to Section 4.08(b)(i); and

(v) no Subsidiary of the Issuer will be required to comply with Section 4.15 after the Reversion Date with respect to any guarantee entered into by such Subsidiary during any Suspension Period;

(vi) all Liens permitted to be created, incurred or assumed during the Suspension Period will be deemed to have been outstanding on the Issue Date, so that they are classified as permitted under clause (7) of the definition of "Permitted Liens"; and

(vii) all Investments made during the Suspension Period will be deemed to have been outstanding on the Issue Date, so that they are classified as Permitted Investments permitted under clause (5) of the definition of "Permitted Investments".

(e) Notwithstanding that the Suspended Covenants may be reinstated after the Reversion Date (i) no Default, Event of Default or breach of any kind will be deemed to exist under this Indenture, the Notes, the Guarantees, the Notes Security Documents or the Intercreditor Agreements with respect to the Suspended Covenants, and none of the Issuer or any of its Restricted Subsidiaries will bear any liability for any actions taken or events occurring during the Suspension Period, or any actions taken at any time pursuant to any contractual obligation arising during a Suspension Period, in each case, as a result of a failure to comply with the Suspended Covenants during the Suspension Period (or, upon termination of the Suspension Period or after that time, based on any action taken or event that occurred during the

Suspension Period) and (ii) following a Reversion Date, the Issuer and each Restricted Subsidiary will be permitted, without causing a Default or Event of Default, to honor, comply with or otherwise perform any contractual commitments or obligations arising during any Suspension Period (that were permitted to be entered into at such time) and to consummate any transactions contemplated thereby.

(f) During the Suspension Period, the Guarantees and the Collateral will be automatically and unconditionally released and discharged and the obligation to grant further Guarantees and pledge Collateral will be suspended. Upon the Reversion Date, the obligation to grant Guarantees pursuant to Section 4.15 will be reinstated (and the Reversion Date will be deemed to be the date on which any guaranteed Indebtedness was incurred for purposes of Section 4.15).

(g) The Trustee shall have no duty to (i) monitor the ratings of the Notes, (ii) determine whether a Covenant Suspension Event or Reversion Date has occurred or (iii) notify Holders of any of the foregoing.

ARTICLE V

SUCCESSORS

SECTION 5.01. Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets

(a) The Issuer may not consolidate, amalgamate or merge with or into or wind up into (whether or not the Issuer is the surviving Person), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties or assets, in one or more related transactions, to any Person unless:

(i) (A) the Issuer is the surviving Person or the Person formed by or surviving any such consolidation, amalgamation or merger (if other than the Issuer) or to which such sale, assignment, transfer, lease, conveyance or other disposition is made, is a Person organized or existing under the laws of the United States, any state thereof, the District of Columbia, or any territory thereof (such Person, as the case may be, being herein called the "Successor Company");

(B) the Successor Company, if other than the Issuer, expressly assumes all the obligations of the Issuer under the Notes and the Notes Security Documents pursuant to supplemental indentures or other customary documents or instruments;

(C) immediately after such transaction, no Default exists;

(D) immediately after giving *pro forma* effect to such transaction and any related financing transactions, as if such transactions had occurred at the beginning of the most recently ended Test Period, either:

(1) the Issuer (or Successor Company, as applicable) would be permitted to incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio Test or the Total Net Leverage Ratio Test, or

(2) the Fixed Charge Coverage Ratio for the Issuer (or Successor Company, as applicable) would be equal to or greater than the Fixed Charge Coverage Ratio for the Issuer immediately prior to such transaction or the Total Net Leverage Ratio for the Issuer (or Successor Company, as applicable) would be equal to or less than the Total Net Leverage Ratio for the Issuer immediately prior to such transaction;

(E) each Guarantor, unless it is the other party to the transactions described above, in which case Section 5.01(a)(i)(B) Section 5.01(a)(i)will apply, will have by supplemental indenture or otherwise confirmed that its Guarantee applies to such Person's obligations under this Indenture and the Notes and that the Notes Security Documents shall continue to be in effect and such Guarantor shall cause such amendments, supplements or other instruments to be executed, filed and recorded in such jurisdictions as may be required by applicable law to preserve and protect the Lien on the Collateral owned by such Guarantor;

(F) to the extent any property or assets of the Successor Company, or the Person that is consolidated, amalgamated, merged with or into or wound up into the Successor Company, are property or assets of the type that would constitute Collateral under the Notes Security Documents or the Equal Priority Intercreditor Agreement, the Successor Company will take such action as may be reasonably necessary or required to cause such property and assets to be made subject to a Lien securing the Notes pursuant to this Indenture, the Notes Security Documents and the Equal Priority Intercreditor Agreement in the manner and to the extent required by this Indenture or any of the Notes Security Documents or the Equal Priority Intercreditor Agreement and shall take all reasonably necessary action so that such Lien is perfected, preserved and protected to the extent required by this Indenture, the Notes Security Documents and the Equal Priority Intercreditor Agreement;

(G) the Collateral owned by or sold, assigned, conveyed, leased, transferred or otherwise disposed of to the Successor Company shall (1) continue to constitute Collateral under this Indenture and the Notes Security Documents, (2) be subject to the Lien in favor of the Notes Collateral Agent for the benefit of itself, the Trustee and the Holders of the Notes and (3) not be subject to any Lien other than Permitted Liens or other Liens as permitted under the covenant described above under Section 4.12;

(H) the Successor Company shall become a party to the Intercreditor Agreements by joinder or supplement; and

(I) the Issuer (or the Successor Company, as applicable) will have delivered to the Trustee an Officer's Certificate stating that such consolidation, amalgamation, merger or transfer and such supplemental indentures, if any, comply with this Indenture; or

(ii) the transaction is made in compliance with Section 4.10; or

(iii) in the case of assets comprised of Equity Interests of Subsidiaries that are not Guarantors, such Equity Interests are sold, assigned, transferred, leased, conveyed or otherwise disposed of to one or more Restricted Subsidiaries.

(b) The Successor Company will succeed to, and be substituted for the Issuer under this Indenture, the Guarantees, the Notes, the Notes Security Documents and the Equal Priority Intercreditor Agreement, as applicable, and in such event the Issuer will automatically be released from its obligations thereunder.

(c) Notwithstanding clauses (C) through (I) of Section 5.01(a)(i),

(i) any Restricted Subsidiary may consolidate with, amalgamate with or merge with or into or wind up into or sell, assign, lease, convey, transfer or otherwise dispose of all or part of its properties and assets to the Issuer or any other Restricted Subsidiary,

(ii) the Issuer may consolidate with, amalgamate with or merge with or into, or wind up into an Affiliate of the Issuer for the purpose of reincorporating the Issuer in the United States, any state thereof, the District of Columbia or any territory thereof so long as the amount of Indebtedness of the Issuer and its Restricted Subsidiaries is not increased thereby,

(iii) the Issuer may convert into a corporation, partnership, limited partnership, limited liability company or trust organized or existing under the laws of the jurisdiction of organization of the Issuer or the laws of a jurisdiction in the United States, and

(iv) the Issuer or Guarantor may change its name.

(d) Subject to Section 11.06, no Guarantor will, and the Issuer will not permit any Guarantor to, consolidate, amalgamate or merge with or into or wind up into (whether or not such Guarantor is the surviving Person), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties or assets, in one or more related transactions, to any Person unless:

(i) (A) such Guarantor is the surviving Person or the Person formed by or surviving any such consolidation, amalgamation or merger (if other than such Guarantor) or to which such sale, assignment, transfer, lease, conveyance or other disposition will have been made is a Person organized or existing under the laws of the jurisdiction of organization of such Guarantor or the laws of the United States, any state thereof, the District of Columbia, or any territory thereof (such Guarantor or such Person, as the case may be, being herein called the "Successor Person");

(B) the Successor Person, if other than such Guarantor, expressly assumes all the obligations of such Guarantor under this Indenture and the Notes Security Documents and such Guarantor's related Guarantee pursuant to supplemental indentures or other documents or instruments;

(C) immediately after such transaction, no Default exists;

(D) to the extent any property or assets of the Successor Person, or the Person that is merged, amalgamated or consolidated with or into the Successor Person, are property or assets of the type that would constitute Collateral under the Notes Security Documents or the Equal Priority Intercreditor Agreement, the Successor Person will take such action as may be reasonably necessary or required to cause such property and assets to be made subject to a Lien securing the Notes pursuant to this Indenture, the Notes Security Documents and the Equal Priority Intercreditor Agreement in the manner and to the extent required by this Indenture or any of the Notes Security Documents or the Equal Priority Intercreditor Agreement, and shall take all reasonably necessary action so that such Lien is perfected, preserved and protected to the extent required by this Indenture, the Notes Security Documents and the Equal Priority Intercreditor Agreement;

(E) the Collateral owned by or sold, assigned, conveyed, leased, transferred or otherwise disposed of to the Successor Person shall (1) continue to constitute Collateral under this Indenture, the Notes Security Documents and the Equal Priority Intercreditor Agreement, (2) be subject to the Lien in favor of the Notes Collateral Agent for the benefit of itself, the Trustee and the Holders of the Notes and (3) not be subject to any Lien other than Permitted Liens or other Liens as permitted under Section 4.12;

(F) the Successor Person shall become a party to the applicable Intercreditor Agreements by joinder or supplement; and

(G) the Issuer will have delivered to the Trustee an Officer's Certificate stating that such consolidation, amalgamation, merger or transfer and such supplemental indentures, if any, comply with this Indenture; or

(ii) the transaction is made in compliance with, if applicable, Section 4.10; or

(iii) in the case of assets comprised of Equity Interests of Subsidiaries that are not Guarantors, such Equity Interests are sold, assigned, transferred, leased, conveyed or otherwise disposed of to one or more Restricted Subsidiaries.

(e) The Successor Person (if other than such Guarantor) will succeed to, and be substituted for, such Guarantor under this Indenture, the Notes Security Documents and the Intercreditor Agreements and such Guarantor's Guarantee and such Guarantor will be automatically released and discharged from its obligations under this Indenture, the Notes Security Documents and the Intercreditor Agreements and such Guarantor's Guarantee.

(f) Notwithstanding the foregoing, any Guarantor may (i) merge, amalgamate or consolidate with or into, wind up into or sell, assign, transfer, lease, convey or otherwise dispose of all or part of its properties and assets to another Guarantor or the Issuer or any Restricted Subsidiary that becomes a Guarantor, (ii) merge with an Affiliate of the Issuer for the purpose of reincorporating the Guarantor in the United States, any state thereof, the District of Columbia or any territory thereof, (iii) convert into a corporation, partnership, limited partnership, limited liability company or trust organized or existing under the laws of the jurisdiction of organization of such Guarantor or the laws of a jurisdiction in the United States, (iv) liquidate or dissolve or change its legal form if the Issuer determines in good faith that such action is in the best interests of the Issuer and is not materially disadvantageous to the Holders of the Notes or (v) change its name.

ARTICLE VI

DEFAULTS AND REMEDIES

SECTION 6.01. Events of Default. An "Event of Default," wherever used herein, means any one of the following events (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(a) default in payment when due and payable, upon redemption, acceleration or otherwise, of principal of, or premium, if any, on the Notes;

(b) default for 30 days or more in the payment when due of interest on or with respect to the Notes;

(c) failure by the Issuer or any Guarantor for 60 days after receipt of written notice given by the Trustee or the Holders of not less than 30.0% in principal amount of the then outstanding Notes to comply with any of its obligations, covenants or agreements (other than a default referred to in clause (a) or (b) of this Section 6.01) contained in this Indenture or the Notes and other than as set forth under Section 4.03;

(d) default under any mortgage, indenture or instrument under which there is issued or by which there is secured or evidenced any Indebtedness for money borrowed by the Issuer or any Significant Subsidiary (or any group of Restricted Subsidiaries that taken together (as of the latest consolidated financial statements of the Issuer made available to the Holders) would constitute a Significant Subsidiary) or the payment of which is guaranteed by the Issuer or any Significant Subsidiary (or any group of Restricted Subsidiaries that taken together (as of the latest consolidated financial statements of the Issuer made available to the Holders) would constitute a Significant Subsidiary), other than Indebtedness owed to the Issuer or a Restricted Subsidiary, whether such Indebtedness or guarantee now exists or is created after the issuance of the Notes, if both:

(i) such default either results from the failure to pay any principal of such Indebtedness at its stated final maturity (after giving effect to any applicable grace periods) or relates to an obligation other than the obligation to pay principal of any such Indebtedness at its stated final maturity and results in the holder or holders of such Indebtedness causing such Indebtedness to become due prior to its stated maturity; and

(ii) the principal amount of such Indebtedness, together with the principal amount of any other such Indebtedness in default for failure to pay principal at its stated final maturity (after giving effect to any applicable grace periods), or the maturity of which has been so accelerated, aggregate $60.0 million or more at any one time outstanding;

(e) failure by the Issuer or any Restricted Subsidiary that is a Significant Subsidiary (or any group of Restricted Subsidiaries that taken together (as of the latest consolidated financial statements of the Issuer made available to the Holders) would constitute a Significant Subsidiary) to pay final judgments aggregating in excess of $60.0 million (net of amounts covered by insurance policies), which final judgments remain unpaid, undischarged, unwaived and unstayed for a period of more than 90 days after such judgment becomes final, and in the event such judgment is covered by insurance, an enforcement proceeding has been commenced by any creditor upon such judgment or decree which is not promptly stayed;

(f) the Issuer or any Significant Subsidiary (or any group of Restricted Subsidiaries that, taken together (as of the latest consolidated financial statements of the Issuer made available to the Holders), would constitute a Significant Subsidiary), pursuant to or within the meaning of any Debtor Relief Laws:

(i) commences proceedings to be adjudicated bankrupt or insolvent;

(ii) consents to the institution of bankruptcy or insolvency proceedings against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under applicable Debtor Relief Laws;

(iii) consents to the appointment of a receiver, liquidator, assignee, trustee, sequestrator or other similar official of it or for all or substantially all of its property;

(iv) makes a general assignment for the benefit of its creditors; or

(v) generally is not paying its debts as they become due;

(g) a court of competent jurisdiction enters an order or decree under any Debtor Relief Laws that:

(i) is for relief against the Issuer or any of its Significant Subsidiaries (or any group of Restricted Subsidiaries that, taken together (as of the latest consolidated financial statements of the Issuer made available to the Holders), would constitute a Significant Subsidiary), in a proceeding in which the Issuer or any such Significant Subsidiary (or any group of Restricted Subsidiaries that, taken together (as of the latest consolidated financial statements of the Issuer made available to the Holders), would constitute a Significant Subsidiary), is to be adjudicated bankrupt or insolvent;

(ii) appoints a receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Issuer or any of its Significant Subsidiaries (or any group of Restricted Subsidiaries that, taken together (as of the latest consolidated financial statements of the Issuer made available to the Holders), would constitute a Significant Subsidiary), or for all or substantially all of the property of the Issuer or any of its Significant Subsidiaries (or any group of Restricted Subsidiaries that, taken together (as of the latest consolidated financial statements of the Issuer made available to the Holders), would constitute a Significant Subsidiary); or

(iii) orders the liquidation of the Issuer or any of its Significant Subsidiaries (or any group of Restricted Subsidiaries that, taken together (as of the latest consolidated financial statements of the Issuer made available to the Holders), would constitute a Significant Subsidiary); and the order or decree remains unstayed and in effect for 60 consecutive days;

(h) the Guarantee of any Significant Subsidiary (or any group of Restricted Subsidiaries that taken together (as of the latest consolidated financial statements of the Issuer made available to the Holders) would constitute a Significant Subsidiary) will for any reason cease to be in full force and effect except as contemplated by the terms of this Indenture or be declared null and void in a final non-appealable judgment of a court of competent jurisdiction or any Financial Officer of any Guarantor that is a Significant Subsidiary (or the responsible officers of any group of Restricted Subsidiaries that, taken together (as of the latest consolidated financial statements of the Issuer made available to the Holders) would constitute a Significant Subsidiary), as the case may be, denies in writing that it has any further liability under its Guarantee or gives written notice to such effect, other than by reason of the termination of this Indenture or the release of any such Guarantee in accordance with this Indenture; or

(i) any Notes Security Document with respect to a material portion of the Collateral after delivery thereof for any reason (other than pursuant to the terms this Indenture or the Notes Security Document including as a result of a transaction not prohibited under this Indenture) ceases to create, a valid and perfected Lien with the priority required by the Notes Security Document (or other security purported to be created on the applicable Collateral) on and security interest in any material portion of the Collateral purported to be covered thereby, subject to Permitted Liens and Liens permitted under Section 4.12, except to the extent that any such loss of perfection or priority is not required pursuant to the Collateral and Guarantee Requirement or results from the failure of the Notes Collateral Agent to maintain possession of Collateral actually delivered to it and pledged under the Notes Security Documents or to file Uniform Commercial Code amendments relating to the Issuer's or a Guarantor's change of name or jurisdiction of formation (solely to the extent that the Issuer provides the Notes Collateral Agent written notice thereof in accordance with the Security Agreement, and the Notes Collateral Agent and the Issuer have agreed that the Notes Collateral Agent will be responsible for filing such amendments) and continuation statements or to take any other action primarily within its control with respect to the Collateral and except as to Collateral consisting of real property to the extent that such losses are covered by the proceeds from a lender's title insurance policy and such insurer has not denied coverage.

SECTION 6.02. Acceleration. If any Event of Default (other than an Event of Default specified in clause (f) or (g) of Section 6.01 with respect to the Issuer) occurs and is continuing under this Indenture, the Trustee or the Holders of at least 30.0% in principal amount of the then total outstanding Notes by notice to the Issuer may declare the principal, premium, if any, interest and any other monetary obligations on all the then outstanding Notes to be due and payable immediately. Upon the effectiveness of such declaration, such principal of and premium, if any, and interest will be due and payable immediately. The Trustee may withhold from the Holders notice of any continuing Default, except a Default relating to the payment of principal, premium, if any, or interest, if it determines that withholding notice is in the Holders' interest. The Trustee will have no obligation to accelerate the Notes if in the best judgment of the Trustee acceleration is not in the best interests of the Holders of the Notes.

Notwithstanding the foregoing, in the case of an Event of Default arising under clause (f) or (g) of Section 6.01 hereof with respect to the Issuer, all outstanding Notes shall be due and payable immediately without further action or notice.

The Holders of a majority of the aggregate principal amount of the then outstanding Notes by written notice to the Trustee may on behalf of the Holders of all of the Notes rescind any acceleration with respect to the Notes and its consequences if such rescission would not conflict with any judgment of a court of competent jurisdiction and if all existing Events of Default (except non-payment of interest on, premium, if any, or the principal of any Note held by a non-consenting Holder that has become due solely because of the acceleration) have been cured or waived.

In the event of any Event of Default specified in Section 6.01(d) hereof, such Event of Default and all consequences thereof (excluding any resulting payment default, other than as a result of acceleration of the Notes) will be annulled, waived and rescinded, automatically and without any action by the Trustee or the Holders, if:

(a) the Indebtedness or guarantee that is the basis for such Event of Default has been discharged;

(b) the requisite holders thereof have rescinded or waived the acceleration, notice or action (as the case may be) giving rise to such Event of Default; or

(c) the default that is the basis for such Event of Default has been cured, waived or is no longer continuing.

SECTION 6.03. Other Remedies. If an Event of Default occurs and is continuing, the Trustee may pursue any available remedy to collect the payment of principal, premium, if any, and interest on the Notes or to enforce the performance of any provision of the Notes or this Indenture.

The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Holder of a Note in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. All remedies are cumulative to the extent permitted by law.

SECTION 6.04. Waiver of Past Defaults. Subject to Section 6.02 hereof, Holders of a majority in aggregate principal amount of the then outstanding Notes by written notice to the Trustee may on behalf of the Holders of all of the Notes waive any existing Default and its consequences hereunder (except a continuing Default in the payment of interest on, premium, if any, or the principal of any Note held by a non-consenting Holder) (including in connection with an Asset Sale Offer or a Change of Control Offer). Upon any such waiver, such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereon.

SECTION 6.05. Control by Majority. Holders of a majority in principal amount of the then total outstanding Notes may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or the Notes Collateral Agent or of exercising any trust or power conferred on the Trustee or the Notes Collateral Agent. The Trustee or the Notes Collateral Agent, as the case may be, however, may refuse to follow any direction that conflicts with law or this Indenture or that the Trustee or the Notes Collateral Agent determines is unduly prejudicial to the rights of any other Holder or that would involve the Trustee or the Notes Collateral Agent in personal liability.

SECTION 6.06. Limitation on Suits. Subject to Section 6.07 hereof, no Holder of a Note may pursue any remedy with respect to this Indenture or the Notes (subject to any applicable Intercreditor Agreement) unless:

(a) such Holder has previously given the Trustee written notice that an Event of Default is continuing;

(b) Holders of at least 30.0% in principal amount of the total outstanding Notes have requested in writing the Trustee to pursue the remedy;

(c) Holders have offered the Trustee security or indemnity reasonably satisfactory to it against any loss, liability or expense;

(d) the Trustee has not complied with such request within 60 days after the receipt thereof and the offer of security or indemnity; and

(e) Holders of a majority in principal amount of the total outstanding Notes have not given the Trustee a direction inconsistent with such written request within such 60-day period.

A Holder of a Note may not use this Indenture to prejudice the rights of another Holder of a Note or to obtain a preference or priority over another Holder of a Note.

SECTION 6.07. Rights of Holders to Receive Payment. Notwithstanding any other provision of this Indenture, the right of any Holder of a Note to receive payment of principal of, premium, if any, and interest on the Note, on or after the respective due dates expressed in the Note (including in connection with an Asset Sale Offer or a Change of Control Offer), or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder.

SECTION 6.08. Collection Suit by Trustee. If an Event of Default specified in Section 6.01(a) or (b) hereof occurs and is continuing, the Trustee is authorized to recover judgment in its own name and as trustee of an express trust against the Issuer for the whole amount of principal of, premium, if any, and interest remaining unpaid on the Notes and interest on overdue principal and, to the extent lawful, interest and such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

SECTION 6.09. Restoration of Rights and Remedies. If the Trustee or any Holder has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Holder, then and in every such case, subject to any determination in such proceedings, the Issuer, the Trustee and the Holders shall be restored severally and respectively to their former positions hereunder and thereafter all rights and remedies of the Trustee and the Holders shall continue as though no such proceeding has been instituted.

SECTION 6.10. Rights and Remedies Cumulative. Except as otherwise provided with respect to the replacement or payment of mutilated, destroyed, lost or stolen Notes in Section 2.07 hereof, no right or remedy herein conferred upon or reserved to the Trustee or to the Holders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

SECTION 6.11. Delay or Omission Not Waiver. No delay or omission of the Trustee or of any Holder of any Note to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Trustee or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders, as the case may be.

SECTION 6.12. Trustee May File Proofs of Claim. The Trustee is authorized to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and the Holders allowed in any judicial proceedings relative to the Issuer (or any other obligor upon the Notes including the Guarantors), its creditors or its property and shall be entitled and empowered to participate as a member in any official committee of creditors appointed in such matter and to collect, receive and distribute any money or other property payable or deliverable on any such claims and any custodian in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee on behalf of such Holder, and in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due to

it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.07 hereof. To the extent that the payment of any such compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.07 hereof out of the estate in any such proceeding, shall be denied for any reason, payment of the same shall be secured by a Lien on, and shall be paid out of, any and all distributions, dividends, money, securities and other properties that the Holders may be entitled to receive in such proceeding whether in liquidation or under any plan of reorganization or arrangement or otherwise. Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

SECTION 6.13. Priorities. If the Trustee, the Notes Collateral Agent or any Agent collects any money or property pursuant to this Article VI (including with respect to the Collateral, subject to any applicable Intercreditor Agreement), it shall pay out the money or property in the following order:

(a) to the Trustee, the Notes Collateral Agent and such Agent, their agents and attorneys for amounts due under Section 7.07 hereof, including payment of all compensation, expenses and liabilities incurred, and all advances made, by the Trustee or such Agent and the costs and expenses of collection;

(b) to Holders for amounts due and unpaid on the Notes for principal, premium, if any, and interest, ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes for principal, premium, if any, and interest, respectively; and (iii) to the Issuer or to such party as a court of competent jurisdiction shall direct including a Guarantor, if applicable.

The Trustee may fix a record date and payment date for any payment to Holders pursuant to this Section 6.13.

SECTION 6.14. Undertaking for Costs. In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as a Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees and expenses, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 6.14 does not apply to a suit by the Trustee, a suit by a Holder of a Note pursuant to Section 6.07 hereof, or a suit by Holders of more than 10.0% in principal amount of the then outstanding Notes.

ARTICLE VII

TRUSTEE AND NOTES COLLATERAL AGENT

SECTION 7.01. Duties of Trustee and Notes Collateral Agent.

(a) If an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture on behalf of the Holders, and use the same degree of care and skill in its exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) Except during the continuance of an Event of Default:

(i) the duties of the Trustee and the Notes Collateral Agent shall be determined solely by the express provisions of this Indenture, the Notes Security Documents and the Intercreditor Agreements and the Trustee and the Notes Collateral Agent need perform only those duties that are specifically set forth in this Indenture, the Notes Security Documents and the Intercreditor Agreements and no others, and no implied covenants or obligations shall be read into this Indenture against the Trustee or the Notes Collateral Agent; and

(ii) in the absence of willful misconduct or bad faith on its part, the Trustee and the Notes Collateral Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee or the Notes Collateral Agent and conforming to the requirements of this Indenture, the Notes Security Documents and the Intercreditor Agreements, as applicable. However, in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee or the Notes Collateral Agent, as applicable, the Trustee or the Notes Collateral Agent, as applicable, shall examine the certificates and opinions to determine whether or not they conform to the requirements of this Indenture, the Notes Security Documents and the Intercreditor Agreements, as the case may be (but need not confirm or investigate the accuracy of mathematical calculations or other facts stated therein).

(c) Neither the Trustee nor the Notes Collateral Agent will be relieved from liabilities for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(i) this paragraph (c) does not limit the effect of paragraph (b) of this Section 7.01;

(ii) neither the Trustee nor the Notes Collateral Agent shall be liable for any error of judgment made in good faith by a Responsible Officer, unless it is proved in a court of competent jurisdiction that the Trustee or the Notes Collateral Agent, as the case may be, was negligent in ascertaining the pertinent facts; and

(iii) neither the Trustee nor the Notes Collateral Agent shall be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.02, 6.04 or 6.05 hereof.

(d) Whether or not therein expressly so provided, every provision of this Indenture that in any way relates to the Trustee and the Notes Collateral Agent is subject to paragraphs (a), (b) and (c) of this Section 7.01.

(e) The Trustee shall be under no obligation to exercise any of its rights or powers under this Indenture or to direct the Notes Collateral Agent to take action under the Notes Security Documents at the request or direction of any of the Holders unless the Holders have offered to the Trustee indemnity or security reasonably satisfactory to it against any loss, liability or expense that might be incurred by it in compliance with such request or direction.

(f) The Trustee shall not be liable for interest on any money received by it except as the Trustee may agree in writing with the Issuer. Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law.

SECTION 7.02. Rights of Trustee.

(a) The Trustee and the Notes Collateral Agent may conclusively rely upon and shall be fully protected in acting or refraining from acting upon any document believed by it to be genuine and to have been signed or presented by the proper Person. The Trustee and the Notes Collateral Agent need not investigate any fact or matter stated in the document, but the Trustee or the Notes Collateral Agent, as the case may be, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee or the Notes Collateral Agent, as the case may be, shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Issuer, personally or by agent or attorney at the sole cost of the Issuer and shall incur no liability or additional liability of any kind by reason of such inquiry or investigation.

(b) Before the Trustee or the Notes Collateral Agent acts or refrains from acting, it may require an Officer's Certificate or an Opinion of Counsel or both. Neither the Trustee nor the Notes Collateral Agent shall be liable for any action it takes or omits to take in good faith in reliance on such Officer's Certificate or Opinion of Counsel. Each of the Trustee and the Notes Collateral Agent may consult with counsel of its selection and the advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection from liability in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

(c) Each of the Trustee and the Notes Collateral Agent may act through its attorneys and agents and shall not be responsible for the misconduct or negligence of any agent or attorney appointed with due care.

(d) Neither the Trustee nor the Notes Collateral Agent shall not be liable for any action it takes or omits to take in good faith that it believes to be authorized or within the rights or powers conferred upon it by this Indenture.

(e) Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice from the Issuer shall be sufficient if signed by an Officer.

(f) None of the provisions of this Indenture, the Notes Security Documents or the Equal Priority Intercreditor Agreement shall require the Trustee or the Notes Collateral Agent to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or indemnity satisfactory to it against such risk or liability is not assured to it.

(g) The Trustee shall not be deemed to have notice of any Default or Event of Default unless a Responsible Officer of the Trustee has actual knowledge thereof or unless written notice of any event which is in fact such a Default or Event of Default is received by the Trustee at the Corporate Trust Office of the Trustee, and such notice references the Notes and this Indenture.

(h) In no event shall the Trustee or the Notes Collateral Agent be responsible or liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee or the Notes Collateral Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

(i) The rights, privileges, protections, immunities and benefits given to the Trustee and the Notes Collateral Agent, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee and the Notes Collateral Agent in each of its capacities hereunder, and each agent, custodian and other Person employed to act hereunder.

(j) [Reserved].

(k) Delivery of reports, information and documents to the Trustee is for informational purposes only and the Trustee's receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Issuer's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officer's Certificates).

(l) The permissive rights of the Trustee to take certain actions under this Indenture shall not be construed as a duty unless so specified herein.

(m) The Trustee and the Notes Collateral Agent shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but each of the Trustee and the Notes Collateral Agent, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee or the Notes Collateral Agent, as the case may be, shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Issuer, personally or by agent or attorney at the sole cost of the Issuer, and shall incur no liability or additional liability of any kind by reason of such inquiry or investigation.

(n) The Trustee shall not be required to give any bond or surety in respect of the performance of its powers and duties hereunder.

(o) The Trustee and the Notes Collateral Agent may request that the Issuer deliver a certificate setting forth the names of individuals and/or titles of officers authorized at such time to take specified actions pursuant to this Indenture and/or the Notes Security Documents.

SECTION 7.03. Individual Rights of Trustee. The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Issuer or any of its Affiliates with the same rights it would have if it were not Trustee. However, in the event that the Trustee acquires any conflicting interest it must eliminate such conflict within 90 days or resign. Any Agent may do the same with like rights and duties. The Trustee is also subject to Section 7.10 hereof.

SECTION 7.04. Disclaimer. Neither the Trustee nor the Notes Collateral Agent (a) shall be responsible for and makes no representation as to the validity or adequacy of this Indenture, the Notes or the Notes Security Documents, (b) shall be accountable for the Issuer's use of the proceeds from the Notes or any money paid to the Issuer or upon the Issuer's direction under any provision of this Indenture, (c) shall be responsible for the use or application of any money received by any Paying Agent other than the Trustee, and (d) shall be responsible for any statement or recital herein or any statement in the Notes or any other document in connection with the sale of the Notes or pursuant to this Indenture other than its certificate of authentication.

SECTION 7.05. Notice of Defaults. If a Default occurs and is continuing and if it is known to the Trustee, the Trustee shall deliver to Holders a notice of the Default within 90 days after it occurs. Except in the case of a Default relating to the payment of principal, premium, if any, or interest on any Note, the Trustee may withhold from the Holders notice of any continuing Default if and so long as it in good faith determines that withholding the notice is in the interests of the Holders.

SECTION 7.06. [Reserved].

SECTION 7.07. Compensation and Indemnity. The Issuer shall pay to the Trustee and the Notes Collateral Agent from time to time such compensation for their acceptance of this Indenture and services hereunder as the parties shall agree in writing from time to time. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust. The Issuer shall reimburse the Trustee and the Notes Collateral Agent promptly upon request for all reasonable out-of-pocket disbursements, advances and expenses incurred or made by them in addition to the compensation for their services. Such expenses shall include the reasonable compensation, disbursements and expenses of the Trustee's and the Notes Collateral Agent's agents and counsel.

The Issuer and the Guarantors, jointly and severally, shall indemnify the Trustee and the Notes Collateral Agent for, and hold the Trustee and the Notes Collateral Agent harmless against, any and all loss, damage, claims, liability or expense (including reasonable attorneys' fees and expenses) incurred by them in connection with the acceptance or administration of this trust and the performance of their duties hereunder (including the reasonable costs and expenses of enforcing this Indenture against the Issuer or any of the Guarantors (including this Section 7.07) or defending itself against any claim whether asserted by any Holder, the Issuer or any Guarantor, or any other Person or liability in connection with the acceptance, exercise or performance of any of its powers or duties hereunder) (but excluding taxes imposed on such persons in connection with compensation for such administration or performance). The Trustee or the Notes Collateral Agent, as the case may be, shall notify the Issuer promptly of any claim for which it may seek indemnity. Failure by the Trustee or the Notes Collateral Agent to so

notify the Issuer shall not relieve the Issuer of its obligations hereunder. The Issuer shall defend the claim and the Trustee and the Notes Collateral Agent may have separate counsel and the Issuer shall pay the reasonable fees and expenses of such counsel. The Issuer nor any Guarantor need not reimburse any expense or indemnify against any loss, liability or expense incurred by the Trustee or the Notes Collateral Agent through the Trustee's or the Notes Collateral Agent's own willful misconduct or negligence. Neither the Issuer nor any Guarantor need pay for any settlement made without its consent, which consent shall not be unreasonably withheld.

The obligations of the Issuer under this Section 7.07 shall survive the satisfaction and discharge of this Indenture or the earlier resignation or removal of the Trustee.

To secure the payment obligations of the Issuer and the Guarantors in this Section 7.07, the Trustee and the Notes Collateral Agent shall have a Lien prior to the Notes on all money or property held or collected by the Trustee and the Notes Collateral Agent, except for money or property held in trust to pay principal and interest on particular Notes. Such Lien shall survive the satisfaction and discharge of this Indenture, the Notes Security Documents and the Equal Priority Intercreditor Agreement.

When the Trustee and the Notes Collateral Agent incur expenses or render services after an Event of Default specified in Section 6.01(f) or (g) hereof occurs, the expenses and the compensation for the services (including the reasonable fees and expenses of its agents and counsel) are intended to constitute expenses of administration under any Debtor Relief Laws.

SECTION 7.08. Replacement of Trustee or Notes Collateral Agent. A resignation or removal of the Trustee or the Notes Collateral Agent, as the case may be, and appointment of a successor Trustee or the Notes Collateral Agent, as the case may be, shall become effective only upon the successor Trustee's or the successor Notes Collateral Agent's acceptance of appointment as provided in this Section 7.08. The Trustee or the Notes Collateral Agent may resign in writing at any time and be discharged from the trust hereby created by so notifying the Issuer. The Holders of a majority in principal amount of the then outstanding Notes may remove the Trustee or the Notes Collateral Agent by so notifying the Trustee or the Notes Collateral Agent, as the case may be, and the Issuer in writing not less than 30 days prior to the effective date of such removal. The Issuer may remove the Trustee or the Notes Collateral Agent if:

(a) the Trustee or the Notes Collateral Agent, as the case may be, fails to comply with Section 7.10 hereof;

(b) the Trustee or the Notes Collateral Agent, as the case may be, is adjudged bankrupt or insolvent or an order for relief is entered with respect to the Trustee under any Debtor Relief Laws;

(c) a custodian or public officer takes charge of the Trustee or the Notes Collateral Agent or its property; or

(d) the Trustee or the Notes Collateral Agent becomes incapable of acting.

If the Trustee or the Notes Collateral Agent resigns or is removed or if a vacancy exists in the office of Trustee or the Notes Collateral Agent for any reason, the Issuer shall promptly appoint a successor Trustee or successor Notes Collateral Agent, as the case may be. Within one year after the successor Trustee or successor Notes Collateral Agent takes office, the Holders of a majority in principal amount of the then outstanding Notes may appoint a successor Trustee or successor Notes Collateral Agent to replace the successor Trustee or Notes Collateral Agent appointed by the Issuer.

If a successor Trustee or successor Notes Collateral Agent does not take office within 60 days after the retiring Trustee or Notes Collateral Agent resigns or is removed, the retiring Trustee or Notes Collateral Agent, as applicable (at the Issuer's expense), the Issuer or the Holders of at least 10% in principal amount of the then outstanding Notes may petition any court of competent jurisdiction for the appointment of a successor Trustee or successor Notes Collateral Agent.

If the Trustee, after written request by any Holder who has been a Holder for at least six months, fails to comply with Section 7.10 hereof, such Holder may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

A successor Trustee or successor Notes Collateral Agent shall deliver a written acceptance of its appointment to the retiring Trustee or Notes Collateral Agent, as applicable, and to the Issuer. Thereupon, the resignation or removal of the retiring Trustee or Notes Collateral Agent shall become effective, and the successor Trustee or Notes Collateral Agent, as applicable, shall have all the rights, powers and duties of the Trustee or the Notes Collateral Agent, as applicable, under this Indenture and the Notes Security Documents. The successor Trustee or successor Notes Collateral Agent shall mail a notice of its succession to Holders. The retiring Trustee or the retiring Notes Collateral Agent shall promptly transfer all property held by it as Trustee or Notes Collateral Agent, as the case may be, to its successor; *provided* all sums owing to the Trustee or the Notes Collateral Agent, as the case may be, hereunder have been paid and subject to the Lien provided for in Section 7.07 hereof. Notwithstanding replacement of the Trustee pursuant to this Section 7.08, the Issuer's obligations under Section 7.07 hereof shall continue for the benefit of the retiring Trustee or the retiring Notes Collateral Agent, as applicable.

The resigning Trustee or the resigning Notes Collateral Agent, as applicable, shall have no responsibility or liability for any action or inaction of a successor Trustee or successor Notes Collateral Agent.

SECTION 7.09. Successor Trustee by Merger, etc. If the Trustee or the Notes Collateral Agent consolidates, merges or converts into, or transfers all or substantially all of its corporate trust business to, another corporation, the successor corporation without any further act shall be the successor Trustee or successor Notes Collateral Agent.

SECTION 7.10. Eligibility; Disqualification. There shall at all times be a Trustee hereunder that is a corporation organized and doing business under the laws of the United States of America or of any state thereof that is authorized under such laws to exercise corporate trustee power, that is subject to supervision or examination by federal or state authorities and that has, together with its parent, a combined capital and surplus of at least $50,000,000 as set forth in its most recent published annual report of condition.

ARTICLE VIII

LEGAL DEFEASANCE AND COVENANT DEFEASANCE

SECTION 8.01. Option to Effect Legal Defeasance or Covenant Defeasance. The Issuer may, at its option and at any time, elect to have either Section 8.02 or 8.03 hereof applied to all outstanding Notes and all obligations of the Guarantors with respect to the Guarantees upon compliance with the conditions set forth below in this Article VIII.

SECTION 8.02. Legal Defeasance and Discharge. Upon the Issuer's exercise under Section 8.01 hereof of the option applicable to this Section 8.02, the Issuer and the Guarantors shall, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, be deemed to have been discharged from their obligations with respect to all outstanding Notes and Guarantees on the date the conditions set forth below are satisfied ("Legal Defeasance"). For this purpose, Legal Defeasance means that the Issuer and the Guarantors shall be deemed to have paid and discharged the entire Indebtedness represented by the outstanding Notes, which shall thereafter be deemed to be "outstanding" only for the purposes of Section 8.05 hereof, to have cured all then existing Events of Default and to have satisfied all its other obligations under such Notes and this Indenture including that of the Guarantors (and the Trustee, on demand of and at the expense of the Issuer, shall execute proper instruments acknowledging the same), except for the following provisions which shall survive until otherwise terminated or discharged hereunder:

(a) the rights of Holders to receive payments in respect of the principal of, premium, if any, and interest on the Notes when such payments are due solely out of the trust created pursuant to this Indenture referred to in Section 8.04 hereof;

(b) the Issuer's obligations with respect to Notes concerning issuing temporary Notes, registration of such Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payment and money for security payments held in trust;

(c) the rights, powers, trusts, duties and immunities of the Trustee, and the Issuer's obligations in connection therewith; and

(d) this Section 8.02.

Subject to compliance with this Article VIII, the Issuer may exercise its option under this Section 8.02 notwithstanding the prior exercise of its option under Section 8.03 hereof.

SECTION 8.03. Covenant Defeasance. Upon the Issuer's exercise under Section 8.01 hereof of the option applicable to this Section 8.03, the Issuer and the Guarantors shall, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, be released from their obligations under the covenants contained in Sections 4.03, 4.04, 4.05, 4.07, 4.08, 4.09, 4.10, 4.11, 4.12, 4.13, 4.14 and 4.15 hereof and clauses (D) through (H) of Section 5.01(a)(i), Section 5.01(d), Section 5.01(e) and Article X hereof with respect to the outstanding Notes on and after the date the conditions set forth in Section 8.04 hereof are satisfied ("Covenant Defeasance"), and the Notes will thereafter be deemed not "outstanding" for the purposes of any direction, waiver, consent or declaration or act of Holders (and the consequences of any thereof) in

connection with such covenants, but shall continue to be deemed "outstanding" for all other purposes hereunder (it being understood that such Notes shall not be deemed outstanding for accounting purposes). For this purpose, Covenant Defeasance means that, with respect to the outstanding Notes and the Guarantees, the Issuer and the Guarantors may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in any such covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of any reference in any such covenant to any other provision herein or in any other document, and such omission to comply shall not constitute a Default or an Event of Default under Section 6.01 hereof, but, except as specified above, the remainder of this Indenture and such Notes and the Guarantees shall be unaffected thereby. In addition, upon the Issuer's exercise under Section 8.01 hereof of the option applicable to this Section 8.03 hereof, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, Sections 6.01(c) (solely with respect to the covenants that are released upon a Covenant Defeasance), 6.01(d), 6.01(e), 6.01(f) (solely with respect to the Issuer's Restricted Subsidiaries), 6.01(g) (solely with respect to the Issuer's Restricted Subsidiaries), 6.01(h) and 6.01(i) hereof shall not constitute Events of Default.

SECTION 8.04. Conditions to Legal or Covenant Defeasance. In order to exercise either Legal Defeasance or Covenant Defeasance with respect to the Notes:

(a) the Issuer must irrevocably deposit with the Trustee, in trust, for the benefit of the Holders, cash in U.S. dollars, U.S. dollar-denominated Government Securities, or a combination thereof, in such amounts as will be sufficient, in the opinion of an Independent Financial Advisor to pay the principal of, premium, if any, and interest due on the Notes on the stated maturity date or on the Redemption Date, as the case may be, of such principal, premium, if any, or interest on such Notes, and the Issuer must specify whether such Notes are being defeased to maturity or to a particular Redemption Date; *provided*, that upon any redemption that requires the payment of the Applicable Premium, the amount deposited will be sufficient for purposes of this Indenture to the extent that an amount is deposited with the Trustee equal to the Applicable Premium calculated as of the date of the notice of redemption, with any deficit as of the date of redemption (any such amount, the "Applicable Premium Deficit") only required to be deposited with the Trustee on or prior to the date of redemption. Any Applicable Premium Deficit will be set forth in an Officer's Certificate delivered to the Trustee simultaneously with the deposit of such Applicable Premium Deficit that confirms that such Applicable Premium Deficit will be applied toward such redemption;

(b) in the case of Legal Defeasance, the Issuer will have delivered to the Trustee an Opinion of Counsel confirming that, subject to customary assumptions and exclusions

(i) the Issuer has received from, or there has been published by, the United States Internal Revenue Service a ruling or

(ii) since the issuance of the Notes, there has been a change in the applicable U.S. federal income tax law,

(iii) in either case to the effect that, and based thereon such Opinion of Counsel will confirm that, subject to customary assumptions and exclusions, Holders will not recognize income, gain or loss for U.S. federal income tax purposes, as applicable, as a result of such Legal Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(c) in the case of Covenant Defeasance, the Issuer will have delivered to the Trustee an Opinion of Counsel confirming that, subject to customary assumptions and exclusions, Holders will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Covenant Defeasance and will be subject to such tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(d) no Default (other than that resulting from borrowing funds to be applied to make such deposit and any similar and simultaneous deposit relating to other Indebtedness and, in each case, the granting of Liens and the consummation of other transactions in connection therewith) shall have occurred and be continuing on the date of such deposit;

(e) such Legal Defeasance or Covenant Defeasance will not result in a breach or violation of, or constitute a default under the Senior Credit Facilities or any other material agreement, instrument or documents (other than this Indenture) to which, the Issuer or any Guarantor is a party or by which the Issuer or any Guarantor is bound (other than that resulting from any borrowing of funds to be applied to make the deposit required to effect such Legal Defeasance or Covenant Defeasance and any similar and simultaneous deposit relating to other Indebtedness, and, in each case, the granting of Liens and the consummation of other transactions in connection therewith);

(f) the Issuer will have delivered to the Trustee an Officer's Certificate stating that the deposit was not made by the Issuer with the intent of defeating, hindering, delaying or defrauding any creditors of the Issuer or any Guarantor or others; and

(g) the Issuer will have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel (which Opinion of Counsel may be subject to customary assumptions and exclusions) each stating that all conditions precedent provided for or relating to the Legal Defeasance or the Covenant Defeasance, as the case may be, have been complied with.

Notwithstanding the foregoing, an Opinion of Counsel required by the immediately preceding paragraph with respect to Legal Defeasance need not be delivered if all of the Notes not theretofore delivered to the Trustee for cancellation (i) have become due and payable or (ii) will become due and payable within one year or are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Issuer.

SECTION 8.05. Deposited Money and Government Securities to Be Held in Trust; Other Miscellaneous Provisions

Subject to Section 8.06 hereof, all money and Government Securities (including the proceeds thereof) deposited with the Trustee (or other qualifying trustee, collectively for purposes of this Section 8.05, the "Trustee") pursuant to Section 8.04 hereof in respect of the outstanding Notes shall be held in trust and applied by the Trustee, in accordance with the provisions of such Notes and this Indenture, to the payment, either directly or through any Paying Agent (including the Issuer or a Guarantor acting as Paying Agent) as the Trustee may determine, to the Holders of such Notes of all sums due and to become due thereon in respect of principal, premium and interest, but such money need not be segregated from other funds except to the extent required by law.

The Issuer shall pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the cash or Government Securities deposited pursuant to Section 8.04 hereof or the principal and interest received in respect thereof other than any such tax, fee or other charge which by law is for the account of the Holders of the outstanding Notes.

Anything in this Article VIII to the contrary notwithstanding, the Trustee shall deliver or pay to the Issuer from time to time upon the request of the Issuer any money or Government Securities held by it as provided in Section 8.04 hereof which, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee (which may be the opinion delivered under Section 8.04(a) hereof), are in excess of the amount thereof that would then be required to be deposited to effect an equivalent Legal Defeasance or Covenant Defeasance.

SECTION 8.06. Repayment to Issuer. Subject to any applicable abandoned property law, any money deposited with the Trustee or any Paying Agent, or then held by the Issuer, in trust for the payment of the principal of, premium, if any, or interest on any Note and remaining unclaimed for two years after such principal, and premium, if any, or interest has become due and payable shall be paid to the Issuer on its request or (if then held by the Issuer) shall be discharged from such trust; and the Holder of such Note shall thereafter look only to the Issuer for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Issuer as trustee thereof, shall thereupon cease.

SECTION 8.07. Reinstatement. If the Trustee or Paying Agent is unable to apply any United States dollars or Government Securities in accordance with Section 8.02 or 8.03 hereof, as the case may be, by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, then the Issuer's and the Guarantors' obligations under this Indenture and the Notes and the Guarantees shall be revived and reinstated as though no deposit had occurred pursuant to Section 8.02 or 8.03 hereof until such time as the Trustee or Paying Agent is permitted to apply all such money in accordance with Section 8.02 or 8.03 hereof, as the case may be; *provided* that, if the Issuer makes any payment of principal of, premium, if any, or interest on any Note following the reinstatement of its obligations, the Issuer shall be subrogated to the rights of the Holders of such Notes to receive such payment from the money held by the Trustee or Paying Agent.

ARTICLE IX

AMENDMENT, SUPPLEMENT AND WAIVER

SECTION 9.01. Without Consent of Holders.

(a) Notwithstanding Section 9.02 hereof, the Issuer, any Guarantor (with respect to a Guarantee or this Indenture to which it is a party) and the Trustee may amend or supplement this Indenture, any Guarantee, the Notes, the Notes Security Document or the Intercreditor Agreements (including in each case, if applicable, the form of agreements attached thereto as exhibits) without the consent of any Holder:

(i) to cure any ambiguity, omission, mistake, defect or inconsistency;

(ii) to provide for uncertificated Notes in addition to or in place of certificated Notes;

(iii) to comply with Section 5.01 hereof;

(iv) to provide the assumption of the Issuer's or any Guarantor's obligations to the Holders;

(v) to make any change that would provide any additional rights or benefits to the Holders or that does not materially adversely affect (as determined in good faith by the Issuer) the legal rights under this Indenture of any such Holder;

(vi) to add covenants for the benefit of the Holders or to surrender any right or power conferred upon the Issuer or any Guarantor;

(vii) to comply with requirements of the SEC in order to effect or maintain the qualification of this Indenture under the Trust Indenture Act, if applicable (it being agreed that this Indenture need not qualify under the Trust Indenture Act);

(viii) to evidence and provide for the acceptance and appointment under this Indenture of a successor Trustee hereunder pursuant to the requirements hereof;

(ix) to add a Guarantor or co-obligor under this Indenture or to release a Guarantor in accordance with the terms of this Indenture;

(x) to conform the text of this Indenture, Guarantees, the Notes, the Notes Security Documents and the Intercreditor Agreements to any provision of the "Description of Notes" section of the Offering Memorandum to the extent that such provision in such "Description of Notes" section was intended to be a verbatim recitation of a provision of this Indenture, Guarantee, the Notes, the Notes Security Documents and the Intercreditor Agreements as provided to the Trustee in an Officer's Certificate;

(xi) to make any amendment to the provisions of this Indenture relating to the transfer and legending of Notes as permitted by this Indenture, including, to facilitate the issuance and administration of the Notes; provided, (A) compliance with this Indenture as so amended would not result in Notes being transferred in violation of the Securities Act or any applicable securities law and (B) such amendment does not materially and adversely affect the rights of Holders to transfer Notes;

(xii) to provide for the issuance of Additional Notes in accordance with the terms of this Indenture;

(xiii) to make, complete or confirm any grant of Collateral permitted or required by this Indenture, any of the Notes Security Documents or the Intercreditor Agreements or any release of Collateral pursuant to the terms of this Indenture, any of the Notes Security Documents or the Intercreditor Agreements;

(xiv) to secure additional extensions of credit and add additional secured creditors holding other First Lien Obligations so long as such First Lien Obligations are not prohibited by the provisions of this Indenture or any other then-existing First Lien Debt Documents;

(xv) to add additional assets as Collateral; or

(xvi) to add provisions to this Indenture and a new form of Note to permit the issuance by the Issuer or a Subsidiary thereof of escrow notes under this Indenture, which may have different terms than other Notes issued under this Indenture so long as the proceeds of such notes remain in escrow (including, but not limited to, separate collateral, different or no guarantees and special mandatory redemption provisions).

(b) The Holders will be deemed to have consented for purposes of this Indenture, the Notes Security Documents and the Equal Priority Intercreditor Agreement (and, if applicable, a Junior Lien Intercreditor Agreement) to any of the following amendments and other modifications to this Indenture, the Notes Security Documents or the Equal Priority Intercreditor Agreement (or, if applicable, a Junior Lien Intercreditor Agreement) and the entry into a Junior Lien Intercreditor Agreement:

(i) to effect any amendment or supplement to the Equal Priority Intercreditor Agreement or any other Intercreditor Agreement that is for the purpose of adding the holders of First Lien Obligations or Indebtedness secured on a junior basis to the Notes or any other Indebtedness that is permitted under Section 4.09 and is Secured Indebtedness (or a representative with respect thereto) as parties thereto, as expressly contemplated by the terms of such Intercreditor Agreement, as applicable (it being understood that any such amendment, modification or supplement may make such other changes to the Equal Priority Intercreditor Agreement or any other applicable Intercreditor Agreement as, in the good faith determination of the Bank Collateral Agent, are required to effectuate the foregoing and provided that such other changes are not adverse, in any material respect, to the interests of the Holders);

(ii) to enter into any Junior Lien Intercreditor Agreement or any Equal Priority Intercreditor Agreement or to any restatement or replacement thereof or to effect the Equal Priority Intercreditor Amendments or other Intercreditor Amendments; or

(iii) that is expressly contemplated by any Intercreditor Agreement or this Indenture.

(c) The Notes Collateral Agent is hereby authorized and directed to enter into the Equal Priority Intercreditor Agreement and any other Intercreditor Agreement to the extent contemplated by the terms of this Indenture without the consent of any Holder, and by accepting a Note, each Holder will be deemed to have acknowledged that such Intercreditor Agreement is binding upon them. By accepting a Note, each Holder will be deemed to have (a) agreed that it will be bound by and will take no actions contrary to the provisions of the Intercreditor Agreements, (b) authorized and instructed the Notes Collateral Agent to enter into the Equal Priority Intercreditor Agreement and to subject the Liens on the Collateral to the provisions thereof and (c) without any further consent of such Holder, authorized and instructed the Notes Collateral Agent to execute and deliver on behalf of itself, the Trustee and the Holders the Equal Priority Intercreditor Agreement, any other intercreditor agreement or any amendment (or amendment and restatement) to the Notes Security Documents or an Intercreditor Agreement contemplated by this Indenture. In connection with any such amendment of the Equal Priority Intercreditor Agreement or any other Intercreditor Agreements, the Issuer shall provide an Officer's Certificate to the Notes Collateral Agent stating that such amendment complies with and/or is permitted by this Indenture, on which the Notes Collateral Agent shall be entitled to conclusively rely without any investigation. In addition, by accepting a Note, each Holder will be deemed to have authorized and directed the Notes Collateral Agent to enter into (i) any amendments to the Equal Priority Intercreditor Agreement and any other Intercreditor Agreements, and (ii) any other intercreditor arrangements, in the case of clauses (i), and (ii) to the extent required to give effect to the establishment of intercreditor rights and privileges as contemplated and required or permitted by the Indenture (the "Other Intercreditor Amendments").

(d) Upon the request of the Issuer accompanied by a resolution of the Board of Directors authorizing the execution of any such amended or supplemental indenture, and upon receipt by the Trustee of the documents described in Section 7.02 hereof (to the extent requested by the Trustee), the Trustee shall join with the Issuer and the Guarantors in the execution of any amended or supplemental indenture authorized or permitted by the terms of this Indenture and to make any further appropriate agreements and stipulations that may be therein contained, but the Trustee shall have the right, but not be obligated to, enter into such amended or supplemental indenture that affects its own rights, duties or immunities under this Indenture or otherwise. Notwithstanding the foregoing, neither an Opinion of Counsel nor an Officer's Certificate shall be required in connection with the addition of a Guarantor under this Indenture upon execution and delivery by such Guarantor and the Trustee of a supplemental indenture to this Indenture, the form of which is attached as Exhibit D hereto, *provided* that the execution thereof shall be deemed a representation by such Guarantor(s) that all conditions precedent and covenants, if any, relating to the execution of such supplemental indenture have been satisfied, *provided* that the execution thereof shall be deemed a representation by such Guarantor(s) that all conditions precedent and covenants, if any, relating to the execution of such supplemental indenture have been satisfied and the supplemental indenture is enforceable in accordance with its terms subject to (i) bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and similar laws affecting the rights and remedies of creditors generally and (ii) general principles of equity.

SECTION 9.02. With Consent of Holders.

(a) Except as provided below in this Section 9.02, the Issuer, the Guarantors and the Trustee may amend or supplement this Indenture, the Notes, the Guarantees, the Notes Security Documents and the Intercreditor Agreements (including, in each case, if applicable, the form of agreements attached thereto as exhibits) with the consent of the Holders of at least a majority in principal amount of the Notes (including Additional Notes, if any) then outstanding voting as a single class (including consents obtained in connection with a tender offer or exchange offer for, or purchase of, the Notes), and, subject to Sections 6.04 and 6.07 hereof, any existing Default or Event of Default (other than a Default or Event of Default in the payment of the principal of, premium, if any, or interest on the Notes, except a payment default resulting from an acceleration that has been rescinded) or compliance with any provision of this Indenture, the Guarantees or the Notes may be waived with the consent of the Holders of a majority in principal amount of the then outstanding Notes (including Additional Notes, if any) voting as a single class (including consents obtained in connection with a tender offer or exchange offer for, or offer to purchase with respect to the Notes); *provided* that (x) if any such amendment or waiver will only affect one series of Notes (or less than all series of Notes) then outstanding hereunder, then only the consent of the Holders of a majority in principal amount of the Notes of such series then outstanding (including, in each case, consents obtained in connection with a tender offer or exchange offer for Notes) shall be required and (y) if any such amendment or waiver by its terms will affect a series of Notes in a manner different and materially adverse relative to the manner such amendment or waiver affects other series of Notes, then the consent of the Holders of a majority of principal amount of the Notes of such adversely affected series then outstanding (including, in each case, consents obtained in connection with a tender offer or exchange offer for Notes) shall be required. Section 2.08 hereof and Section 2.09 hereof shall determine which Notes are considered to be "outstanding" for the purposes of this Section 9.02.

(b) Upon the request of the Issuer accompanied by a resolution of its board of directors authorizing the execution of any such amended or supplemental indenture, and upon the filing with the Trustee of evidence satisfactory to the Trustee of the consent of the Holders as aforesaid, and, except as set forth in Section 9.05, upon receipt by the Trustee of the documents described in Section 7.02 hereof, the Trustee shall join with the Issuer and the Guarantors in the execution of such amended or supplemental indenture unless such amended or supplemental indenture directly affects the Trustee's own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion, but shall not be obligated to, enter into such amended or supplemental indenture.

(c) It shall not be necessary for the consent of the Holders under this Section 9.02 to approve the particular form of any proposed amendment or waiver, but it shall be sufficient if such consent approves the substance thereof.

(d) After an amendment, supplement or waiver under this Section 9.02 becomes effective, the Issuer shall deliver to the Holders affected thereby a notice briefly describing the amendment, supplement or waiver. Any failure of the Issuer to deliver such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such amended or supplemental indenture or waiver.

(e) Without the consent of each affected Holder (including, for the avoidance of doubt, any Notes held by Affiliates), an amendment or waiver under this Section 9.02 may not, with respect to any Notes held by a non-consenting Holder:

(i) reduce the principal amount of such Notes whose Holders must consent to an amendment, supplement or waiver;

(ii) reduce the principal of or change the fixed final maturity of any such Note or reduce the premium payable upon the redemption of such Notes on any date (other than the provisions relating to Section 3.09, Section 4.10 and Section 4.14); *provided*, any amendment to the notice requirements may be made with the consent of the Holders of a majority in aggregate principal amount of then outstanding Notes;

(iii) reduce the rate of or change the time for payment of interest on any Note;

(iv) waive a Default in the payment of principal of or premium, if any, or interest on the Notes, except a rescission of acceleration of the Notes by the Holders of at least a majority in aggregate principal amount of the Notes and a waiver of the payment default that resulted from such acceleration, or in respect of a covenant or provision contained in this Indenture or any Guarantee which cannot be amended or modified without the consent of all affected Holders;

(v) make any Note payable in money other than that stated therein;

(vi) make any change in the provisions of this Indenture relating to waivers of past Defaults;

(vii) make any change in this Article IX that is materially adverse to the Holders;

(viii) impair the contractual right hereunder of any Holder to institute suit for the enforcement of any payment on or with respect to such Holder's Notes;

(ix) make any change to or modify the ranking of the Notes that would adversely affect the Holders; or

(x) except as expressly permitted by this Indenture, modify the Guarantees of any Significant Subsidiary, in any manner materially adverse to the Holders.

(f) Without the consent of the Holders of at least 66⅔% in aggregate principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, the Notes), no amendment, supplement or waiver may (i) have the effect of releasing all or substantially all of the Collateral from the Liens of the Notes Security Documents (except as permitted by the terms of this Indenture, the Equal Priority Intercreditor Agreement or the Notes Security Documents) or changing or altering the priority of the security interests of the Holders of the Notes in the Collateral under the Equal Priority Intercreditor Agreement or (ii) make any change in the Notes Security Documents, the Equal Priority Intercreditor Agreement or the provisions in this

Indenture dealing with the application of proceeds of the Collateral that would materially and adversely affect the Holders of Notes; provided that (x) if any such amendment, supplement or waiver will only affect one series of Notes (or less than all series of Notes) then outstanding under this Indenture, then only the consent of the Holders of at least 66⅔% in aggregate principal amount of the Notes of such series then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, such series of the Notes) shall be required.

SECTION 9.03. [Reserved].

SECTION 9.04. Revocation and Effect of Consents. Until an amendment, supplement or waiver becomes effective, a consent to it by a Holder of a Note is a continuing consent by the Holder of a Note and every subsequent Holder of a Note or portion of a Note that evidences the same debt as the consenting Holder's Note, even if notation of the consent is not made on any Note. However, any such Holder of a Note or subsequent Holder of a Note may revoke the consent as to its Note if the Trustee receives written notice of revocation before the date the amendment, supplement or waiver becomes effective. An amendment, supplement or waiver becomes effective in accordance with its terms and thereafter binds every Holder.

The Issuer may, but shall not be obligated to, fix a record date for the purpose of determining the Holders entitled to consent to any amendment, supplement, or waiver. If a record date is fixed, then, notwithstanding the preceding paragraph, those Persons who were Holders at such record date (or their duly designated proxies), and only such Persons, shall be entitled to consent to such amendment, supplement, or waiver or to revoke any consent previously given, whether or not such Persons continue to be Holders after such record date. No such consent shall be valid or effective for more than 120 days after such record date unless the consent of the requisite number of Holders has been obtained.

SECTION 9.05. Notation on or Exchange of Notes. The Trustee may place an appropriate notation about an amendment, supplement or waiver on any Note thereafter authenticated. The Issuer in exchange for all Notes may issue and the Trustee shall, upon receipt of an Authentication Order, authenticate new Notes that reflect the amendment, supplement or waiver.

Failure to make the appropriate notation or issue a new Note shall not affect the validity and effect of such amendment, supplement or waiver.

SECTION 9.06. Trustee and Notes Collateral Agent to Sign Amendments, etc. The Trustee, and as applicable, the Notes Collateral Agent, shall sign any amendment, supplement or waiver authorized pursuant to this Article IX if the amendment, supplement or waiver does not adversely affect the rights, duties, liabilities or immunities of the Trustee, and as applicable, the Notes Collateral Agent. The Issuer may not sign an amendment, supplement or waiver until the board of directors of the Issuer approves it. Except as set forth below, in executing any amendment, supplement or waiver, the Trustee and the Notes Collateral Agent shall receive, and shall be fully protected in relying conclusively upon, in addition to the documents required by Section 13.04 hereof, an Officer's Certificate and an Opinion of Counsel stating that the execution of such amended or supplemental indenture is authorized or permitted by this Indenture and that such amendment, supplement or waiver is the legal, valid and binding obligation of the Issuer and any Guarantors party thereto, enforceable against them in accordance with its terms, subject to customary exceptions, and complies with the provisions hereof (including Section 9.03 hereof).

Neither an Opinion of Counsel nor an Officer's Certificate will be required for the Trustee or the Notes Collateral Agent to execute any amendment, supplement or other document adding a new Guarantor, nor will an Officer's Certificate be required for the Trustee or the Notes Collateral Agent to execute a supplemental indenture. In addition, an Opinion of Counsel will not be required for the Trustee or the Notes Collateral Agent to (i) execute any amendment, supplement or other document releasing a Guarantor under this Indenture or adding Collateral or releasing Collateral under this Indenture, the Notes Security Documents or the Equal Priority Intercreditor Agreement or (ii) enter into any Intercreditor Agreement or amendment, supplement, joinder or acknowledgment thereto.

ARTICLE X

COLLATERAL

SECTION 10.01. The Notes Collateral Agent. By accepting a Note, each Holder will be deemed to have irrevocably appointed the Notes Collateral Agent to execute and deliver, and to act as its agent under, the Notes Security Documents, the Mortgage Collateral Agency Agreement and the Intercreditor Agreements and to have irrevocably authorized and directed the Notes Collateral Agent to (i) perform the duties and exercise the rights, powers and directions that are specifically given to it under the Notes Security Documents, the Mortgage Collateral Agency Agreement, the Intercreditor Agreements or other documents to which it is a party, together with any other incidental rights, powers and directions; and (ii) execute each document expressed to be executed by the Notes Collateral Agent on its behalf.

(b) Each of the Holders hereby exempts the Notes Collateral Agent from any restrictions on representing several persons and self-dealing under any applicable law to the extent legally possible for such Holder.

(c) The Notes Collateral Agent is authorized and empowered to appoint one or more subagents orco-collateral agents as it deems necessary or appropriate, including without limitation the Bank Collateral Agent (including any successor Bank Collateral Agent) and any Mortgage Collateral Agent.

(d) The Notes Collateral Agent shall have all the rights and protection provided in the Notes Security Documents as well as the rights and protections afforded to the Notes Collateral Agent in Sections 7.02 and 7.07 hereof; *provided*, *however*, that the Issuer shall not reimburse any expense or indemnify against any loss, liability or expense incurred by the Notes Collateral Agent through the Notes Collateral Agent's own willful misconduct or gross negligence, as determined by a final order of a court of competent jurisdiction.

(e) Neither the Trustee nor the Notes Collateral Agent shall be responsible for (i) the terms or adequacy of any Notes Security Document or any Intercreditor Agreement, (ii) perfecting, maintaining, monitoring, preserving or protecting the Liens granted under this Indenture, the Notes Security Documents or any agreement or instrument contemplated hereby or thereby (except to the extent any possessory collateral is delivered to the Notes Collateral Agent for perfection purposes), (iii) the filing, re-filing, recording, re-recording or continuing of any document, financing statement, financing change statement, registration, mortgage, assignment, notice, instrument of further assurance or other instrument in any public office at any time or times or (iv) providing, maintaining, monitoring or preserving insurance on or the payment of taxes with respect to the Collateral. The actions described in items (i) through (iv) shall be the sole responsibility of the Issuer or Guarantor, as applicable.

(f) Subject to the Notes Security Documents and the Intercreditor Agreements, except as directed by the Trustee as required or permitted by this Indenture, the Holders acknowledge that the Notes Collateral Agent will not be obligated:

(i) to act upon directions purported to be delivered to it by any other Person;

(ii) to foreclose upon or otherwise enforce any Lien securing the Notes; or

(iii) to take any other action whatsoever with regard to any or all Liens securing the Notes, the Notes Security Documents or the Collateral.

(g) In acting as Notes Collateral Agent, co-collateral agent or sub-collateral agent, the Notes Collateral Agent, each co-collateral agent and each sub-collateral agent may rely upon and enforce each and all of the rights, powers, immunities, indemnities and benefits of the Trustee under Article VII hereof.

(h) Neither the Trustee nor the Notes Collateral Agent shall have any duty to file any financing statements, continuation statements or amendments thereto or any other agreement or instrument to record or perfect or maintain the perfection of the Notes Collateral Agent's security interest in the Collateral.

SECTION 10.02. Security Documents. To secure the full and punctual payment when due and the full and punctual performance of the Obligations of the parties hereto, the Issuer, the Guarantors and the Notes Collateral Agent shall, on the Issue Date, enter into certain Notes Security Documents to be executed on the Issue Date and may enter into additional Notes Security Documents and take or cause to be taken all such actions as may be required to create, perfect and maintain, as security for the Obligations of the Issuer and the Guarantors to the Notes Collateral Agent, the Trustee and the Holders under this Indenture, the Notes, the Guarantees and the Notes Security Documents, a valid and enforceable perfected first-priority Lien and security interest in all of the Collateral to the extent required by the Collateral and Guarantee Requirement in favor of the Notes Collateral Agent for its benefit and the benefit of the Trustee and the Holders, subject to the terms of the Notes Security Documents and this Indenture. Each Holder, by accepting a Note, consents and agrees to the terms of the Notes Security Documents (including the provisions providing for the possession, use, release and foreclosure of Collateral) as each may be in effect or may be amended from time to time in accordance with their terms and this Indenture and the Intercreditor Agreements.

To the extent any Lien or security interest required pursuant to this Indenture and the Notes Security Documents is not perfected by the Issue Date, the Issuer and the applicable Guarantors shall use their commercially reasonable efforts to perform all acts and things that may be required, to have all such Liens and security interests in the Collateral duly created and enforceable and perfected, to the extent required by this Indenture and the Notes Security Documents, as promptly as practicable and in any event within 120 days following the Issue Date (or such later date as the Bank Collateral Agent may have agreed to under the Senior Credit Facilities), with respect to Collateral that does not constitute Material Real Property, and within the time period specified under Section 10.09 with respect to Material Real Property.

SECTION 10.03. The Intercreditor Agreement. On the Issue Date, the Issuer, the other grantors party thereto, the Notes Collateral Agent and the Bank Collateral Agent will enter into the Equal Priority Intercreditor Agreement with respect to the Collateral, which may be amended from time to time without the consent of the Holders to add other parties holding Additional First Lien Obligations or as otherwise provided herein.

SECTION 10.04. Maintenance of Collateral. The Issuer and the Guarantors shall maintain the Collateral in good, safe and insurable operating order, condition and repair (ordinary wear and tear excepted), other than as would not have a material adverse effect on the Issuer and the Guarantors, taken as a whole, and shall do all other acts as may be reasonably necessary or appropriate to maintain and preserve the Collateral, provided that the Issuer and the Guarantors may dispose of Collateral to the extent permitted by Section 4.10 and Section 5.01 hereof. The Issuer and the Guarantors shall pay all real estate and other taxes (except such as are being contested in good faith and by appropriate negotiations or proceedings), and maintain in full force and effect all material permits and insurance in amounts that insure against such losses and risks as are reasonable for the type and size of the business conducted by the Issuer and the Guarantors.

SECTION 10.05. Impairment of Collateral. Subject to the rights of the holders of any senior Liens and to Section 10.10, the Issuer shall not, and shall not permit any of its Restricted Subsidiaries to (a) take, or knowingly or negligently omit to take, any action which action or omission would or could reasonably be expected to have the results of materially impairing the security interests with respect to the Collateral for the benefit of the Trustee and the Holders, unless such action or failure to take action is otherwise permitted by the terms of this Indenture, the Intercreditor Agreement or the Notes Security Documents, or (b) grant any Person, or permit any Person to retain (other than the Applicable Collateral Agent (as defined in the Equal Priority Intercreditor Agreement)), any Liens on the Collateral, other than Permitted Liens. Each Issuer and each Guarantor will, at its sole cost and expense, execute and deliver all such agreements and instruments as necessary to more fully or accurately describe the assets and property intended to be Collateral or the obligations intended to be secured by the Notes Security Documents.

SECTION 10.06. After Acquired Collateral.

(a) From and after the Issue Date and subject to the terms of the Notes Security Documents and the Intercreditor Agreements, if the Issuer or any Guarantor acquires any property or rights which are of a type constituting Collateral under any Notes Security Document (excluding, for the avoidance of doubt, any Excluded Assets), it will execute and deliver such security instruments, financing statements and such certificates to the extent required by this Indenture or any Notes Security Documents (in each case, in accordance with the Intercreditor Agreements) to vest in the Notes Collateral Agent a perfected Lien on, and/or security interest (subject only to Permitted Liens) in, such after-acquired collateral to the extent required by the Collateral and Guarantee Requirement or Section 10.09 and to take such actions to add such after-acquired collateral to the Collateral, and thereupon all provisions of this Indenture and the Notes Security Documents relating to the Collateral shall be deemed to relate to such after-acquired collateral to the same extent and with the same force and effect. Notwithstanding the foregoing, an Opinion of Counsel will not be required in connection with the addition of new Guarantors or in connection with such Guarantors entering into the Notes Security Documents or to vest in the Notes Collateral Agent a perfected security interest in such after-acquired collateral.

(b) Upon the receipt by the Notes Collateral Agent of a written request of the Issuer signed by an Officer, the Notes Collateral Agent shall be authorized to execute and enter into, and shall execute and enter into, without the further consent of any Holder or the Trustee, any Notes Security Document to be executed after the Issue Date. Such written request shall (i) instruct the Notes Collateral Agent to execute and enter into such Notes Security Document and the Notes Collateral Agent shall (without any obligation to review or negotiate the terms of such Notes Security Document) sign any such Notes Security Document and (ii) state that such Notes Security Documents is permitted under this Indenture.

(c) Any such execution of a Notes Security Document shall be at the direction and expense of the Issuer, upon delivery to the Notes Collateral Agent of an Officer's Certificate stating that all conditions precedent to the execution and delivery of the Notes Security Document have been satisfied.

(d) Notwithstanding the foregoing, in no event shall the Notes Collateral Agent be required to execute and enter into any such Notes Security Document if the Notes Collateral Agent determines in its reasonable discretion that such Notes Security Document is reasonably likely to adversely affect any of the Notes Collateral Agent's rights, benefits, immunities, privileges or indemnities hereunder, require the Notes Collateral Agent to expend or risk its own funds or cause the Notes Collateral Agent to incur any loss, liability or expense.

(e) The Trustee and the Notes Collateral Agent shall have no obligation to monitor the acquisition of additional property or rights that constitute Collateral or the perfection of any security interests therein.

SECTION 10.07. Further Assurances.

(a) Subject to the Intercreditor Agreements, the Issuer and the Guarantors shall promptly as may be required by applicable law (i) correct any material defect or error that may be discovered in the execution, acknowledgment, filing or recordation of any Notes Security Document or other document or instrument relating to any Collateral, and (ii) do, execute, acknowledge, deliver, record, re-record, file, re-file, register and re-register any and all such further acts, deeds, certificates, assurances and other instruments as may be necessary or as the Notes Collateral Agent may reasonably request from time to time in order to carry out more effectively the purposes of the Notes Security Documents and to satisfy the Collateral and Guarantee Requirement.

(b) The Issuer shall furnish to the Notes Collateral Agent, with respect to the Issuer or any Guarantor, prompt written notice (and in any event within sixty (60) days of such change or such longer period as may be agreed by the Bank Collateral Agent under the Senior Credit Facilities) of any change in such Person's (i) legal name or (ii) organizational legal entity designation or jurisdiction of incorporation or formation, in each case to the extent required by the Notes Security Documents. Promptly upon the occurrence of any of the foregoing, the Issuer and the Guarantors shall make all filings under the UCC (including continuation statements and amendments) and any other applicable laws that are required by this Indenture and/or the Notes Security Documents in order for the Collateral to be made subject to the Lien of the Notes Collateral Agent under this Indenture and/or the Notes Security Documents in the manner and to the extent required by this Indenture or any of the Notes Security Documents and shall take all necessary action so that such Lien is perfected with the same priority as immediately prior to such change to the extent required by this Indenture and/or the Notes Security Documents.

SECTION 10.08. Negative Pledge. The Issuer and each Guarantor shall not, and the Issuer shall not permit any of its Restricted Subsidiaries to, further pledge the Collateral as security or otherwise, subject to Permitted Liens; *provided*, *however*, that the Issuer, subject to compliance with Section 4.09 and Section 4.12, shall be permitted to issue an unlimited aggregate principal amount of Additional Notes, all of which may be secured by the Collateral.

SECTION 10.09. Real Estate Mortgages and Filings.

(a) Within (x) 120 days after the Issue Date with respect to Material Real Property owned by the Issuer and the Guarantors as of the Issue Date and (y) 180 days of the date of acquisition of any Material Real Property after the Issue Date or the date any Subsidiary becomes a Guarantor (with respect to Material Real Property owned by it) (or 275 days of the acquisition of any Material Real Property after the Issue Date or the date any Subsidiary becomes a Guarantor (with respect to Material Real Property owned by it) if the Issuer provides notice within 90 days of the acquisition of such Material Real Property or the date such Subsidiary becomes a Guarantor (with respect to Material Real Property owned by it) to the Trustee of its intention to consummate a Specified Sale-Leaseback Transaction with respect to such Material Real Property) (or, in either case of clause (x) or (y), such later date as the Bank Collateral Agent may have agreed to under the Senior Credit Facilities), such Issuer or such Guarantor shall deliver to the Notes Collateral Agent, as mortgagee or beneficiary, as applicable, for its benefit, the benefit of the Trustee and for the ratable benefit of the Holders (and, if a single mortgage securing all First Lien Obligations is delivered to a Mortgage Collateral Agent with respect to any Material Real Property, the other holders of the First Lien Obligations), a Mortgage with respect to such Material Real Property, together with:

(i) Evidence that counterparts of such Mortgage have been duly executed, acknowledged and delivered and are in form suitable for filing or recording in all filing or recording offices that are reasonably necessary in order to create, except to the extent otherwise provided hereunder, including subject to Liens permitted by Section 4.12 and Permitted Liens, a valid and subsisting perfected Lien on such Material Real Property in favor of the Notes Collateral Agent for its benefit, the benefit of the Trustee and for the ratable benefit of the Holders and that all filing and recording taxes and fees have been paid or otherwise provided for and subject to the Collateral and Guarantee Requirement;

(ii) A customary Opinion of Counsel for the applicable Guarantor in the state in which such Material Real Property is located, with respect to the enforceability and perfection of such Mortgage and any related fixture filings, the authorization, execution and delivery of such Mortgage and otherwise in form and substance consistent with the opinions delivered under the Senior Credit Facilities;

(iii) To the extent required to be delivered under the Senior Credit Facilities, environmental assessment reports and reliance letters (if any) that have been prepared in connection with such acquisition of any Material Real Property.

(b) Notwithstanding anything to the foregoing, in the event that the Obligations under Senior Credit Facilities are satisfied and the mortgages, deeds of trust, deed to secure debt or other real property security document securing such Obligations under Senior Credit Facilities are released, such Issuer or such Guarantor shall, as soon as practicable thereafter using commercially reasonable efforts, (i) deliver or cause to be delivered fully paid American Land Title Association Lender's Extended Coverage title insurance policies or the equivalent or other form available in each applicable jurisdiction (the "Mortgage Policies") in form and substance and amount consistent with the title insurance policies issued under the Senior Credit Facilities, insuring the Mortgages to be valid subsisting Liens on the property described therein, subject only to Liens permitted by Section 4.12 and Permitted Liens or such other Liens accepted in connection with the Senior Credit Facilities that do not have an adverse impact on the use or value of the Mortgaged Properties, and providing for such other affirmative insurance (including endorsements for future advances under this Indenture and Notes Security Documents) and such coinsurance and direct access reinsurance as delivered under the Senior Credit Facilities and that are otherwise available in the applicable jurisdiction and (ii) deliver or cause to be delivered American Land Title/American Congress on Surveying and Mapping surveys for each Material Real Property or existing surveys together with no change affidavits, in each case in the form consistent with the surveys delivered under the Senior Credit Facilities and otherwise sufficient for the title insurance company issuing a Mortgage Policy to remove the standard survey exception and issue standard survey related endorsements.

(c) Further, notwithstanding anything to the foregoing and upon the reasonable agreement of the Issuer and the Bank Collateral Agent, the Issuer or the applicable Guarantor may satisfy the Collateral and Guarantee Requirement with respect to the delivery of a Mortgage on any Material Real Property that is required to be or has been mortgaged under the Senior Credit Facilities by delivering a mortgage to a Mortgage Collateral Agent or amending an existing mortgage to be in favor of a Mortgage Collateral Agent and to secure the Obligations under this Indenture in addition to the Senior Credit Facilities Obligations (and any Additional First Lien Obligations, as applicable) and to otherwise be in form and substance reasonably satisfactory to the Bank Collateral Agent and the Notes Collateral Agent.

SECTION 10.10. Release of Liens on the Collateral.

(a) Liens on the Collateral securing the Notes shall be automatically released under any one or more of the following circumstances:

(i) In part, as to any property or assets constituting Collateral, to enable the Issuer or its Restricted Subsidiaries to consummate the disposition of such property or assets to the extent not prohibited under Section 4.10;

(ii) in the case of a Guarantor that is released from its Guarantee with respect to the Notes in accordance with Section 11.06, the release of the property and assets of such Guarantor;

(iii) upon any such property or assets becoming Excluded Assets;

(iv) as permitted by the Intercreditor Agreements; or

(v) as permitted by Section 9.02(f).

(b) The security interests in all Collateral securing the Notes will be released upon:

(i) payment in full of the principal of, together with accrued and unpaid interest and premium, if any, on, the Notes and all other Obligations under this Indenture, the Guarantees and the Notes Security Documents that are due and payable at or prior to the time such principal, together with accrued and unpaid interest and premium, if any, are paid (including pursuant to a redemption or repurchase of all Notes or a satisfaction and discharge of this Indenture in accordance with Article XII); or

(ii) a Legal Defeasance or Covenant Defeasance under this Indenture in accordance with Sections 8.02 and 8.03.

(c) In connection with a release of Collateral, only an Officer's Certificate to the Notes Collateral Agent will be required and neither the Trustee nor the Notes Collateral Agent shall have any liability for releases given in reliance on such Officer's Certificate, which shall also certify that the release of Collateral is authorized or permitted under the Indenture and the Notes Security Documents.

(d) Upon the receipt of an Officer's Certificate from the Issuer, as described in Section 10.10(c), if applicable, and any necessary or proper instruments of termination, satisfaction or release prepared by the Issuer, the Notes Collateral Agent and/or the Trustee shall, at the Issuer's expense, execute, deliver or acknowledge such instruments or releases reasonably requested in writing by the Issuer to evidence the release of any Collateral permitted to be released pursuant to this Indenture or the Notes Security Documents or the Equal Priority Intercreditor Agreement.

ARTICLE XI

GUARANTEES

SECTION 11.01. Guarantee. Subject to this Article XI, each of the Guarantors hereby, jointly and severally, irrevocably and unconditionally guarantees, on a secured basis, to each Holder of a Note authenticated and delivered by the Trustee and to the Trustee and its successors and assigns, irrespective of the validity and enforceability of this Indenture, the Notes or the Obligations of the Issuer hereunder or thereunder, that (a) the principal of and interest and premium, if any, on the Notes shall be promptly paid in full when due, whether at maturity, by acceleration, redemption or otherwise, and interest on the overdue principal of and interest on the Notes, if any, if lawful, and all other obligations of the Issuer to the Holders or the Trustee hereunder or thereunder, including for expenses, indemnification or otherwise, shall be promptly paid in full, all in accordance with the terms hereof and thereof; and (b) in case of any extension of time of payment or renewal of any Notes or any of such other Obligations, that same shall be promptly paid in full when due in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration or otherwise. Failing payment when due of any amount so guaranteed for whatever reason, the Guarantors shall be jointly and severally obligated to pay the same promptly. Each Guarantor agrees that this is a guarantee of payment and not a guarantee of collection.

The Guarantors hereby agree that their obligations hereunder shall be unconditional, irrespective of the validity, regularity or enforceability of the Notes or this Indenture, the absence of any action to enforce the same, any waiver or consent by any Holder with respect to any provisions hereof or thereof, the recovery of any judgment against the Issuer, any action to enforce the same or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor (other than payment in full of all of the Obligations of the Issuer hereunder and under the Notes).

Each Guarantor hereby waives, to the fullest extent permitted by law, diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of the Issuer, any right to require a proceeding first against the Issuer, protest, notice and all demands whatsoever and covenants that this Guarantee shall not be discharged except by full payment of the obligations contained in the Notes and this Indenture or by release in accordance with the provisions of this Indenture.

Each Guarantor also agrees to pay any and all costs and expenses (including reasonable attorneys' fees) incurred by the Trustee or any Holder in enforcing any rights under this Section 11.01.

If any Holder or the Trustee is required by any court or otherwise to return to the Issuer, the Guarantors or any custodian, trustee, liquidator or other similar official acting in relation to either the Issuer or the Guarantors, then any amount paid either to the Trustee or such Holder, then this Guarantee, to the extent theretofore discharged, shall be reinstated in full force and effect.

Until terminated in accordance with Section 11.06, each Guarantor agrees that it shall not be entitled to any right of subrogation in relation to the Holders in respect of any obligations guaranteed hereby until payment in full of all obligations guaranteed hereby. Each Guarantor further agrees that, as between the Guarantors, on the one hand, and the Holders and the Trustee, on the other hand, (x) the maturity of the obligations guaranteed hereby may be accelerated as provided in Article VI hereof for the purposes of this Guarantee, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed hereby, and (y) in the event of any declaration of acceleration of such obligations as provided in Article VI hereof, such obligations (whether or not due and payable) shall forthwith become due and payable by the Guarantors for the purpose of this Guarantee. The Guarantors shall have the right to seek contribution from any nonpaying Guarantor so long as the exercise of such right does not impair the rights of the Holders under the Guarantees.

Each Guarantee shall remain in full force and effect and continue to be effective should any petition be filed by or against the Issuer for liquidation, reorganization, should the Issuer become insolvent or make an assignment for the benefit of creditors or should a receiver or trustee be appointed for all or any significant part of the Issuer's assets, and shall, to the fullest extent permitted by law, continue to be effective or be reinstated, as the case may be, if at any time payment of the Notes are, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee on the Notes or Guarantees, whether as a "voidable preference," "fraudulent transfer" or otherwise, all as though such payment had not been made. In the event that any payment or any part thereof, is rescinded, reduced, restored or returned, the Notes shall, to the fullest extent permitted by law, be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

In case any provision of any Guarantee shall be invalid, illegal or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

The Guarantee issued by any Guarantor shall be a general secured senior obligation of such Guarantor and shall be pari passu in right of payment with all existing and future Senior Indebtedness of such Guarantor, if any.

Each payment to be made by a Guarantor in respect of its Guarantee shall be made without setoff, counter-claim, reduction or diminution of any kind or nature.

SECTION 11.02. Limitation on Guarantor Liability. Each Guarantor, and by its acceptance of the Notes, each Holder, hereby confirms that it is the intention of all such parties that the Guarantee of such Guarantor not constitute a fraudulent transfer or conveyance for purposes of Debtor Relief Laws, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar federal or state law to the extent applicable to any Guarantee. To effectuate the foregoing intention, the Trustee, the Holders and the Guarantors hereby irrevocably agree that the obligations of each Guarantor shall be limited to the maximum amount as will, after giving effect to such maximum amount and all other contingent and fixed liabilities of such Guarantor that are relevant under such laws and after giving effect to any collections from, rights to receive contribution from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor under this Article XI, result

in the obligations of such Guarantor under its Guarantee not constituting a fraudulent conveyance or fraudulent transfer under applicable law. Each Guarantor that makes a payment under its Guarantee shall be entitled upon payment in full of all guaranteed obligations under this Indenture to a contribution from each other Guarantor in an amount equal to such other Guarantor's *pro rata* portion of such payment based on the respective net assets of all the Guarantors at the time of such payment determined in accordance with GAAP.

SECTION 11.03. Execution and Delivery. To evidence its Guarantee set forth in Section 11.01 hereof, each Guarantor hereby agrees that this Indenture (or, with regard to each Guarantor that becomes a party hereto after the date hereof, a supplemental indenture in the form of Exhibit D) shall be executed on behalf of such Guarantor by one of its authorized Officers.

Each Guarantor hereby agrees that its Guarantee set forth in Section 11.01 hereof shall remain in full force and effect notwithstanding the absence of the endorsement of any notation of such Guarantee on the Notes.

If an Officer whose signature is on this Indenture no longer holds that office at the time the Trustee authenticates the Note, the Guarantee of such Guarantor shall be valid nevertheless.

The delivery of any Note by the Trustee, after the authentication thereof hereunder, shall constitute due delivery of the Guarantee set forth in this Indenture on behalf of the Guarantors.

If required by Section 4.15 hereof, the Issuer shall cause any newly created or acquired Restricted Subsidiary to comply with the provisions of Section 4.15 hereof and this Article XI, to the extent applicable.

SECTION 11.04. Subrogation. Subject to the fifth paragraph of Section 11.01 and Section 11.02, each Guarantor shall be subrogated to all rights of Holders against the Issuer in respect of any amounts paid by any Guarantor pursuant to the provisions of Section 11.01 hereof; *provided* that, if an Event of Default has occurred and is continuing, no Guarantor shall be entitled to enforce or receive any payments arising out of, or based upon, such right of subrogation until all amounts then due and payable by the Issuer under this Indenture or the Notes shall have been paid in full.

SECTION 11.05. Benefits Acknowledged. Each Guarantor acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated by this Indenture and that the guarantee and waivers made by it pursuant to its Guarantee are knowingly made in contemplation of such benefits.

SECTION 11.06. Release of Guarantees. (a) Each Guarantee by a Guarantor will provide by its terms that it shall be automatically and unconditionally released and discharged and shall thereupon terminate and be of no further force and effect, and no further action by such Guarantor, the Issuer or the Trustee is required for the release of such Guarantor's Guarantee, upon:

(i) in the case of a Subsidiary Guarantor, any sale, exchange, issuance, disposition or transfer (by merger, amalgamation, consolidation or otherwise) of (A) the Capital Stock of such Guarantor, after which the applicable Guarantor is no longer a Restricted Subsidiary, or (B) all or substantially all of the assets of such Guarantor (including to the Issuer or another Guarantor), in each case if such sale, exchange, issuance, disposition or transfer is made in compliance with the applicable provisions of this Indenture;

(ii) in the case of a Subsidiary Guarantor, (A) the release or discharge of the guarantee by, or direct obligation of, such Guarantor of Indebtedness under the Senior Credit Facilities or Capital Markets Indebtedness of the Issuer or any Guarantor, or (B) the release or discharge of such other guarantee that resulted in the creation of such Guarantee, except, in each case, a discharge or release by or as a result of payment under such guarantee or direct obligation (it being understood that, in each case, a release subject to a contingent reinstatement is still a release);

(iii) (A) the designation of any Restricted Subsidiary that is a Subsidiary Guarantor as an Unrestricted Subsidiary in compliance with the applicable provisions of this Indenture or (B) such Subsidiary Guarantor otherwise becoming an Excluded Subsidiary;

(iv) (A) the exercise by the Issuer of its Legal Defeasance option or Covenant Defeasance option in accordance with Article VIII hereof or (B) the discharge of the Issuer's obligations under this Indenture (including pursuant to a satisfaction and discharge of this Indenture under Section 12.01 or through redemption or repurchase of all the Notes or otherwise) in accordance with the terms of this Indenture;

(v) (A) the merger, amalgamation, consolidation or winding up of any Guarantor with and into the Issuer or another Guarantor or a Restricted Subsidiary that becomes a Guarantor that is the surviving Person in such merger, amalgamation, consolidation or winding up, or upon the liquidation of a Guarantor following the transfer of all or substantially all of its assets, in each case in a transaction that complies with the applicable provisions hereof or (B) the dissolution or liquidation of any Guarantor permitted by the applicable provisions of this Indenture;

(vi) as described under Article IX; or

(vii) upon the occurrence of a Covenant Suspension Event.

(b) A Guarantee of a Subsidiary Guarantor also will be automatically released upon the applicable Subsidiary ceasing to be a Subsidiary as a result of any foreclosure of any pledge or security interest securing the Senior Credit Facilities or other First Lien Obligations that resulted in the Subsidiary Guarantor's obligation to guarantee the Notes or other exercise of remedies in respect thereof in accordance with any Intercreditor Agreement.

(c) Notwithstanding any other provisions of this Section 11.06, any Guarantee by a Parent Company (other than Holdings) may be automatically and unconditionally released and discharged for any reason.

(d) The Issuer will have the right, upon delivery of an Officer's Certificate to the Trustee, to cause any Guarantor that has not guaranteed any Indebtedness under the Senior Credit Facilities or any Capital Markets Indebtedness of the Issuer or any Guarantor, and is not otherwise required by the applicable terms of this Indenture to provide a Guarantee, to be unconditionally released and discharged from all obligations under its Guarantee, and such Guarantee will thereupon automatically and unconditionally terminate and be discharged and of no further force or effect.

ARTICLE XII

SATISFACTION AND DISCHARGE

SECTION 12.01. Satisfaction and Discharge. This Indenture, the Notes Security Documents and the Intercreditor Agreements (with respect to the Notes) shall be discharged and shall cease to be of further effect as to all Notes, when either:

(a) all Notes theretofore authenticated and delivered, except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has theretofore been deposited in trust, have been delivered to the Trustee for cancellation; or

(b) (i) all Notes not theretofore delivered to the Trustee for cancellation have become due and payable by reason of the making of one or more notices of redemption or otherwise, will become due and payable within one year or may be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Issuer, and the Issuer or any Guarantor has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust solely for the benefit of the Holders, cash in U.S. dollars, U.S. dollar-denominated Government Securities, or a combination thereof, in such amounts as will be sufficient (without consideration of any reinvestment of interest) to pay and discharge the entire indebtedness on the Notes not theretofore delivered to the Trustee for cancellation for principal, premium, if any, and accrued interest to the date of maturity or redemption; *provided*, (A) upon any redemption that requires the payment of the Applicable Premium, the amount deposited will be sufficient for purposes of this Indenture to the extent that an amount is deposited with the Trustee equal to the Applicable Premium calculated as of the date of the notice of redemption, with any Applicable Premium Deficit only required to be deposited with the Trustee on or prior to the date of redemption and (B) any Applicable Premium Deficit will be set forth in an Officer's Certificate delivered to the Trustee simultaneously with the deposit of such Applicable Premium Deficit that confirms that such Applicable Premium Deficit will be applied toward such redemption;

(ii) the Issuer has paid or caused to be paid all sums payable by it under this Indenture; and

(iii) the Issuer has delivered irrevocable instructions to the Trustee to apply the deposited money toward the payment of the Notes at maturity or the Redemption Date, as the case may be.

In addition, the Issuer must deliver an Officer's Certificate and an Opinion of Counsel to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied. Such Opinion of Counsel may rely on such Officer's Certificate as to matters of fact, including clauses (b) (i), (ii) and (iii) above.

Notwithstanding the satisfaction and discharge of this Indenture, the Notes Security Documents and the Intercreditor Agreements, if money shall have been deposited with the Trustee pursuant to subclause (i) of clause (b) of this Section 12.01, the provisions of Section 12.02 and Section 8.06 hereof shall survive such satisfaction and discharge.

SECTION 12.02. Application of Trust Money. Subject to the provisions of Section 8.06 hereof, all money deposited with the Trustee pursuant to Section 12.01 hereof shall be held in trust and applied by it, in accordance with the provisions of the Notes and this Indenture, to the payment, either directly or through any Paying Agent (including the Issuer or a Guarantor acting as its own Paying Agent) as the Trustee may determine, to the Persons entitled thereto, of the principal (and premium, if any) and interest for whose payment such money has been deposited with the Trustee; but such money need not be segregated from other funds except to the extent required by law.

If the Trustee or Paying Agent is unable to apply any money or Government Securities in accordance with Section 12.01 hereof by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Issuer's and any Guarantor's obligations under this Indenture and the Notes shall be revived and reinstated as though no deposit had occurred pursuant to Section 12.01 hereof; *provided* that if the Issuer has made any payment of principal of, premium, if any, or interest on any Notes because of the reinstatement of its obligations, the Issuer shall be subrogated to the rights of the Holders of such Notes to receive such payment from the money or Government Securities held by the Trustee or Paying Agent.

ARTICLE XIII

MISCELLANEOUS

SECTION 13.01. [Reserved].

SECTION 13.02. Notices. Any notice or communication by the Issuer, any Guarantor, the Trustee or the Notes Collateral Agent to the others is duly given if in writing and delivered in person or mailed by first-class mail (registered or certified, return receipt requested), facsimile, electronic mail (in ".pdf" format) or overnight air courier guaranteeing next day delivery, to the others' address:

If to the Issuer and/or any Guarantor:

Life Time, Inc.
2902 Corporate Place
Chanhassen, Minnesota 55317
Attention: Thomas Bergmann / Chief Financial Officer
Email: tbergmann@lt.life

Facsimile: (952) 947-0099

with a copy to:

Latham & Watkins LLP
885 Third Avenue
New York, NY 10022
Attention: Jason Licht
Facsimile: (212) 906-1322

and

Faegre Drinker Biddle & Reath LLP
2200 Wells Fargo Center
90 South Seventh Street
Minneapolis, MN 55402-3901
Attention: James M. Pfau
Facsimile: (612) 766 8616

If to the Trustee or the Notes Collateral Agent:

Wilmington Savings Fund Society, FSB
500 Delaware Avenue, 11th Floor
Wilmington, DE 19809
Attention: Corporate Trust – Life Time, Inc.
Fax: (302) 421-9137

The Issuer, any Guarantor, the Trustee or the Notes Collateral Agent, by notice to the others, may designate additional or different addresses for subsequent notices or communications.

All notices and communications (other than those sent to Holders) shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; five calendar days after being deposited in the mail, postage prepaid, if mailed by first-class mail; on the first date on which publication is made or electronic delivery made; and the next Business Day after timely delivery to the courier, if sent by overnight air courier guaranteeing next day delivery; *provided* that any notice or communication delivered to the Trustee and the Notes Collateral Agent shall be deemed effective upon actual receipt thereof.

Any notice or communication to a Holder shall be electronically delivered, mailed by first-class mail, certified or registered, return receipt requested, or by overnight air courier guaranteeing next day delivery to its address shown on the Note Register kept by the Registrar. Notice given in accordance with the Applicable Procedures will be deemed given on the date sent to DTC.

Failure to deliver a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders.

If a notice or communication is mailed or otherwise delivered in the manner provided above within the time prescribed, such notice or communication shall be deemed duly given, whether or not the addressee receives it.

If the Issuer delivers or mails a notice or communication to Holders, it shall deliver or mail a copy to the Trustee and each Agent at the same time.

SECTION 13.03. Communication by Holders with Other Holders. Notwithstanding any other provision of this Indenture or any Note, where this Indenture or any Note provides for notice of any event or any other communication (including any notice of redemption or repurchase) to a holder of a Global Note (whether by mail or otherwise), such notice shall be sufficiently given if given to the Depository (or its designee) pursuant to the standing instructions from the Depository or its designee, including by electronic mail in accordance with accepted practices at the Depository.

SECTION 13.04. Certificate and Opinion as to Conditions Precedent. Upon any request or application by the Issuer or any of the Guarantors to the Trustee or the Notes Collateral Agent to take any action under this Indenture (other than as set forth in the last sentence of Section 9.06 and with respect to clause (b) below, in connection with the initial issuance of Notes on the Issue Date), the Issuer or such Guarantor, as the case may be, shall furnish to the Trustee or the Notes Collateral Agent, as applicable:

(a) An Officer's Certificate in form reasonably satisfactory to the Trustee or the Notes Collateral Agent, as the case may be (which shall include the statements set forth in Section 13.05 hereof), stating that, in the opinion of the signers, all conditions precedent and covenants, if any, provided for in this Indenture relating to the proposed action have been satisfied; and

(b) An Opinion of Counsel in form reasonably satisfactory to the Trustee or the Notes Collateral Agent, as the case may be (which shall include the statements set forth in Section 13.05 hereof), stating that, in the opinion of such counsel, all such conditions precedent and covenants have been satisfied.

SECTION 13.05. Statements Required in Certificate or Opinion. Each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include:

(a) a statement that the Person making such certificate or opinion has read such covenant or condition;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of such Person, he or she has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with (and, in the case of an Opinion of Counsel, may be limited to reliance on an Officer's Certificate as to matters of fact); and

(d) a statement as to whether or not, in the opinion of such Person, such condition or covenant has been complied with;*provided*, *however*, that with respect to matters of fact, an Opinion of Counsel may rely on an Officer's Certificate or certificates of public officials.

SECTION 13.06. Rules by Trustee and Agents. The Trustee may make reasonable rules for action by or at a meeting of Holders. The Registrar or Paying Agent may make reasonable rules and set reasonable requirements for its functions.

SECTION 13.07. No Personal Liability of Directors, Officers, Employees and Stockholders. No past, present or future director, officer, employee, incorporator, member, partner or equity holder of the Issuer or any Guarantor or any Parent Company (other than, with respect to members, partners and equity holders, the Issuer and the Guarantors) will have any liability for any obligations of the Issuer or the Guarantors under the Notes, the Guarantees, this Indenture or any supplemental indenture or for any claim based on, in respect of, or by reason of such obligations or their creation. Each Holder by accepting Notes waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

SECTION 13.08. Governing Law. THIS INDENTURE, THE NOTES AND ANY GUARANTEE WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

SECTION 13.09. Waiver of Jury Trial. EACH OF THE ISSUER, THE GUARANTORS, THE TRUSTEE AND THE NOTES COLLATERAL AGENT HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS INDENTURE, THE NOTES OR THE TRANSACTIONS CONTEMPLATED HEREBY.

SECTION 13.10. Force Majeure. In no event shall the Trustee or the Notes Collateral Agent be responsible or liable for any failure or delay in the performance of its obligations under this Indenture arising out of or caused by, directly or indirectly, forces beyond its reasonable control, including without limitation strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, epidemics, pandemics and interruptions, loss or malfunctions of utilities, communications or computer (software or hardware) services.

SECTION 13.11. No Adverse Interpretation of Other Agreements. This Indenture may not be used to interpret any other indenture, loan or debt agreement of the Issuer or its Restricted Subsidiaries or of any other Person. Any such indenture, loan or debt agreement may not be used to interpret this Indenture.

SECTION 13.12. Successors. All agreements of the Issuer in this Indenture and the Notes shall bind its successors.

All agreements of the Trustee in this Indenture shall bind its successors. All agreements of each Guarantor in this Indenture shall bind its successors, except as otherwise provided in Section 11.06 hereof.

SECTION 13.13. Severability. In case any provision in this Indenture or in the Notes shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 13.14. Counterpart Originals. The parties may sign any number of copies of this Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. This Indenture may be executed in multiple counterparts, which, when taken together, shall constitute one instrument. The exchange of copies of this Indenture and of signature pages by facsimile or PDF transmissions shall constitute effective execution and delivery of this Indenture as to the parties hereto and may be used in lieu of the original Indenture for all purposes. Signatures of the parties hereto transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes.

SECTION 13.15. Table of Contents, Headings, etc. The Table of Contents, Cross-Reference Table and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not to be considered a part of this Indenture and shall in no way modify or restrict any of the terms or provisions hereof.

SECTION 13.16. Legal Holidays. If a payment date (including a Redemption Date, Change of Control Payment Date or other purchase date or repurchase date) is on a Legal Holiday, payment will be made on the next succeeding day that is not a Legal Holiday and no interest shall accrue for the intervening period.

SECTION 13.17. USA PATRIOT Act. The parties hereto acknowledge that in order to help the government fight the funding of terrorism and money laundering activities, pursuant to federal regulations that became effective on October 1, 2003, Section 326 of the USA PATRIOT Act requires all financial institutions to obtain, verify, and record information that identifies each person establishing a relationship or opening an account with Wilmington Savings Fund Society, FSB. The parties hereto agree that they will provide the Trustee with name, address, tax identification number, if applicable, and other information that will allow the Trustee to identify the individual or entity who is establishing the relationship, and will further provide the Trustee with formation documents such as articles of incorporation or other identifying documents.

SECTION 13.18. No Incorporation by Reference of Trust Indenture Act. This Indenture is not qualified under the Trust Indenture Act, and the Trust Indenture Act shall not apply to or in any way govern the terms of this Indenture. Holdings, the Issuer and its Subsidiaries will not be required to comply with any provision of the Trust Indenture Act, including Sections 314(a) and 316(b) of the Trust Indenture Act. As a result, no provisions of the Trust Indenture Act are incorporated into this Indenture unless expressly incorporated pursuant to this Indenture.

[Signatures on following page]

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed as of the date first above written.

LIFE TIME, INC.

By: /s/ Thomas E. Bergmann
Name: Thomas E. Bergmann
Title: President and Chief Financial Officer

ATHLINKS INC.
LTF ARCHITECTURE, LLC,
LTF CLUB MANAGEMENT COMPANY, LLC
LTF CLUB OPERATIONS COMPANY, INC.
LTF CONSTRUCTION COMPANY, LLC
LTF EDUCATIONAL PROGRAMS, LLC
LTF GROUND LEASE COMPANY, LLC
LTF INTERMEDIATE HOLDINGS, INC.
LTF LEASE COMPANY, LLC
LTF MANAGEMENT SERVICES, LLC
LTF OPERATIONS HOLDINGS, INC.
LTF REAL ESTATE COMPANY, INC.
LTF REAL ESTATE HOLDINGS, LLC
LTF RESTAURANT COMPANY, LLC
LTF TRIATHLON SERIES, LLC,
as Guarantors

By: /s/ Erik Lindseth
Name: Erik Lindseth
Title: Senior Vice President, General Counsel and Secretary

LTF INTERMEDIATE HOLDINGS, INC.
as Guarantor

By: /s/ Erik Lindseth
Name: Erik Lindseth
Title: Secretary

WILMINGTON SAVINGS FUND SOCIETY, FSB, as Trustee

By: /s/ Geoffrey J. Lewis
Name: Geoffrey J. Lewis
Title: Vice President

WILMINGTON SAVINGS FUND SOCIETY, FSB, as Notes Collateral Agent

By: /s/ Geoffrey J. Lewis
Name: Geoffrey J. Lewis
Title: Vice President

EXHIBIT A

CUSIP/ISIN

[RULE 144A][REGULATION S][IAI] GLOBAL NOTE

5.750% Senior Secured Notes due 2026

No. [Up to] US$[ ]

LIFE TIME, INC.

promises to pay to or registered assigns,

the principal sum of [the principal sum set forth on the Schedule of Exchange of Interests in the Global Note attached hereto] [DOLLARS] on January 15, 2026.

Interest Payment Dates: January 15 and July 15, beginning July 15, 2021

Record Dates: January 1 and July 1

IN WITNESS HEREOF, the Issuer has caused this instrument to be duly executed.

LIFE TIME, INC.

By: _____
Name:
Title:

This is one of the Notes referred to in the within-mentioned Indenture:

WILMINGTON SAVINGS FUND SOCIETY, FSB, as Trustee

By: _____
Authorized Signatory

Dated:

Capitalized terms used herein shall have the meanings assigned to them in the Indenture referred to below unless otherwise indicated.

1. INTEREST. Life Time, Inc. (the "Issuer"), promises to pay interest on the principal amount of this Note at a rate per annum of 5.750% from January 22, 2021 until maturity. The Issuer will pay interest on this Note semi-annually in arrears on January 15 and July 15 of each year, beginning July 15, 2021 or, if any such day is not a Business Day, on the next succeeding Business Day (each, an "Interest Payment Date"). The Issuer will make each interest payment to the Holder of record of this Note on the immediately preceding January 1 and July 1 (each, a "Record Date"). Interest on this Note will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the date of issuance; *provided* that the first Interest Payment Date shall be July 15, 2021. The Issuer will pay interest (including post-petition interest in any proceeding under any Debtor Relief Laws) on overdue principal and premium, if any, from time to time on demand at the rate borne by this Note; it shall pay interest (including post-petition interest in any proceeding under any Debtor Relief Laws) on overdue installments of interest (without regard to any applicable grace periods) from time to time on demand at the rate borne by this Note. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

2. METHOD OF PAYMENT. The Issuer will pay interest on this Note to the Person who is the registered Holder of this Note at the close of business on the Record Date (whether or not a Business Day) next preceding the Interest Payment Date, even if this Note is cancelled after such Record Date and on or before such Interest Payment Date, except as provided in Section 2.12 of the Indenture with respect to defaulted interest. Payments of principal of, premium, if any, and interest on the Notes will be payable at the office or agency of the Issuer maintained pursuant to Section 4.02 of the Indenture or, at the option of the Issuer, may be made by check mailed to the Holders at their addresses set forth in the Note Register, *provided* that (a) all payments of principal, premium, if any, and interest on, Notes represented by Global Notes registered in the name of or held by DTC or its nominee will be made by wire transfer of immediately available funds to the accounts specified by the Holder or Holders thereof and (b) all payments of principal, premium, if any, and interest with respect to certificated Notes will be made by wire transfer to a U.S. dollar account maintained by the payee with a bank in the United States if such Holder elects payment by wire transfer by giving written notice to the Trustee or the Paying Agent to such effect designating such account no later than 30 days immediately preceding the relevant due date for payment (or such other date as the Trustee may accept in its discretion). Such payment shall be in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. If a payment date (including a Redemption Date, Change of Control Payment Date or other purchase date or repurchase date) is on a Legal Holiday, payment will be made on the next succeeding day that is not a Legal Holiday and no interest shall accrue for the intervening period.

3. PAYING AGENT AND REGISTRAR. Initially, Wilmington Savings Fund Society, FSB, the Trustee under the Indenture, will act as Paying Agent and Registrar. The Issuer may change any Paying Agent or Registrar without prior notice to any Holder. The Issuer or any of its domestic Subsidiaries may act in any such capacity.

4. INDENTURE. The Issuer issued the Notes under an Indenture, dated as of January 22, 2021 (the "Indenture"), among Life Time, Inc., the Guarantors party thereto from time to time, the Trustee and the Notes Collateral Agent. The Issuer shall be entitled to issue Additional Notes in accordance with Sections 2.01, 4.09 and 4.12 of the Indenture. The terms of the Notes include those stated in the Indenture. The Notes are subject to all such terms, and Holders are referred to the Indenture for a statement of such terms. To the extent any provision of this Note conflicts with the express provisions of the Indenture, the provisions of the Indenture shall govern and be controlling.

5. OPTIONAL REDEMPTION.

(a) At any time prior to January 15, 2023, the Issuer may, at its option, on one or more occasions redeem all or a part of the Notes, upon notice as described under Section 3.03 of the Indenture, at a redemption price (as calculated by the Issuer) equal to the sum of (i) 100.0% of the principal amount of the Notes redeemed, *plus* (ii) the Applicable Premium calculated as of the date the notice of redemption is given, *plus* (iii) accrued and unpaid interest, if any, to, but excluding, the Redemption Date, subject to the right of Holders of record on the relevant Record Date to receive interest due on the relevant Interest Payment Date. Any notice of redemption made in connection with a related transaction or event (including an Equity Offering, contribution, Change of Control, Asset Sale or other transaction) may, at the Issuer's discretion, be given prior to the completion or the occurrence thereof, and any such redemption or notice may, at the Issuer's discretion, be subject to one or more conditions precedent, including, but not limited to, the completion or occurrence of the related transaction or event, as the case may be.

(b) At any time prior to January 15, 2023, the Issuer may, at its option and on one or more occasions, redeem, upon notice as described under Section 3.03 of the Indenture, up to 40.0% of the aggregate principal amount of Notes and Additional Notes issued under the Indenture at a redemption price (as calculated by the Issuer) equal to the sum of (i) 105.750% of the aggregate principal amount thereof, with an amount equal to or less than the cash proceeds less underwriting fees from one or more Equity Offerings to the extent such cash proceeds are received by or contributed to the Issuer, *plus* (ii) accrued and unpaid interest thereon, if any, to, but excluding, the Redemption Date, subject to the right of Holders of record on the relevant Record Date to receive interest due on the relevant Interest Payment Date; *provided*, (a) at least 50.0% of the aggregate principal amount of Notes originally issued under the Indenture on the Issue Date (and excluding any Additional Notes issued under the Indenture after the Issue Date) remains outstanding immediately after the occurrence of each such redemption (except to the extent otherwise repurchased or redeemed (or to be repurchased or redeemed) in accordance with the terms of the Indenture); (b) that for purposes of calculating the principal amount of the Notes able to be redeemed with such cash proceeds of such Equity Offering or Equity Offerings, such amount shall include the principal amount of the Notes to be redeemed plus the premium on such Notes to be redeemed; and (c) each such redemption occurs within 180 days of the date of closing of each such Equity Offering or contribution.

(c) In connection with any tender offer or other offer to purchase the Notes (including a Change of Control Offer, Alternate Offer or Asset Sale Offer), if Holders of not less than 90% of the aggregate principal amount of the then outstanding Notes validly tender and do not withdraw such Notes in such offer and the Issuer, or any third party making such offer in lieu of the Issuer, purchases all of the Notes validly tendered and not withdrawn by such Holders, all of the Holders will be deemed to have consented to such tender offer or other offer to purchase and, accordingly, the Issuer or such third party will have the right upon notice, given not more than 90 days following such purchase date, to redeem all of the Notes that remain outstanding following such purchase at a price equal to the price offered to each other Holder in such tender offer or other offer to purchase (which may be less than par and shall exclude any early tender premium and any accrued and unpaid interest paid to any Holder in such offer payment), *plus*, to the extent not included in the offer payment, accrued and unpaid interest, if any, thereon, to, but excluding, the Redemption Date. A Change of Control Offer and an Asset Sale Offer may be made at the same time as consents are solicited with respect to an amendment, supplement or waiver of the Indenture, Notes and/or Guarantees (but the Change of Control Offer or Asset Sale Offer, as applicable, may not condition tenders on the delivery of such consents).

(d) Except pursuant to clause (a), (b) or (c) of Section 3.07 of the Indenture, the Notes will not be redeemable at the Issuer's option prior to January 15, 2023.

(e) On and after January 15, 2023, the Issuer may, at its option, redeem the Notes, in whole or in part, on one or more occasions, upon notice as described under Section 3.03 of the Indenture, at the redemption prices (expressed as percentages of principal amount of the Notes to be redeemed) set forth below, plus accrued and unpaid interest, if any, to, but excluding, the Redemption Date, subject to the right of Holders of record on the relevant Record Date to receive interest due on the relevant Interest Payment Date, if redeemed during the twelve-month period beginning on January 15 of each of the years indicated below:

Year	Percentage
2023	102.875%
2024	101.438%
2025 and thereafter	100.000%

(e) Any redemption pursuant to Section 3.07 of the Indenture shall be made pursuant to the provisions of Sections 3.01 through 3.06 of the Indenture.

6. MANDATORY REDEMPTION; OFFERS TO PURCHASE AND OPEN MARKET PURCHASES. The Issuer will not be required to make any mandatory redemption or sinking fund payments with respect to the Notes. However, under certain circumstances, the Issuer may be required to offer to purchase Notes as described under Sections 4.10 and 4.14 of the Indenture.

7. NOTICE OF REDEMPTION. Subject to Section 3.03 of the Indenture, the Issuer shall deliver electronically, mail or cause to be mailed by first-class mail, postage prepaid notices of redemption at least 10 days but, except as set forth in Section 3.07(h) of the Indenture, not more than 90 days before the Redemption Date to each Holder to be redeemed at such Holder's registered address or otherwise in accordance with Applicable Procedures, except that redemption notices may be delivered or mailed more than 90 days prior to a Redemption Date if the notice is issued in connection with Article VIII or Article XI of the Indenture.

8. OFFERS TO REPURCHASE. Upon the occurrence of a Change of Control, the Issuer shall make a Change of Control Offer in accordance with Section 4.14 of the Indenture. In connection with certain Asset Sales, the Issuer shall make an Asset Sale Offer as and when provided in accordance with Sections 3.09 and 4.10 of the Indenture.

9. SECURITY. The Notes shall be secured by first-priority Liens in the Collateral, subject to Permitted Liens, on the terms and conditions set forth in the Indenture and the Notes Security Documents. The Notes Collateral Agent holds a Lien in the Collateral for its benefit and for the benefit of the Trustee and the Holders, in each case pursuant to the Notes Security Documents. By their acceptance of the Notes, Holders will be deemed to have authorized and instructed the Notes Collateral Agent to enter into and to perform each of the Notes Security Documents, the Mortgage Collateral Agency Agreement and the Intercreditor Agreements.

10. DENOMINATIONS, TRANSFER, EXCHANGE. The Notes are in registered form without coupons in denominations of $2,000 and any integral multiple of $1,000 in excess of $2,000. The transfer of Notes shall be registered and Notes may only be exchanged as provided in the Indenture. The Registrar and the Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and the Issuer may require a Holder to pay any taxes and fees required by law or permitted by the Indenture. The Issuer need not issue, exchange or register the transfer of any Note or portion of a Note selected for redemption, except for the unredeemed portion of any Note being redeemed in part. Also, the Issuer need not issue, exchange or register the transfer of any Notes during the period of 15 days before the mailing of a notice of redemption of Notes to be redeemed or between a Record Date with respect to such Note and the next succeeding Interest Payment Date with respect to such Note.

11. PERSONS DEEMED OWNERS. The registered Holder shall be treated as its owner for all purposes. Only registered Holders shall have rights hereunder.

12. AMENDMENT, SUPPLEMENT AND WAIVER. The Indenture, the Guarantees or the Notes may be amended or supplemented as provided in the Indenture.

13. DEFAULTS AND REMEDIES. The Events of Default relating to the Notes are defined in Section 6.01 of the Indenture. If any Event of Default occurs and is continuing, the Trustee or the Holders of at least 30.0% in principal amount of the then outstanding Notes by notice to the Issuer may declare the principal, premium, if any, interest and any other monetary obligations on all the then outstanding Notes to be due and payable immediately. Notwithstanding the foregoing, in the case of an Event of Default arising from certain events of bankruptcy or insolvency with respect to the Issuer, all outstanding Notes will become due and payable immediately without further action or notice. Holders may not enforce the Indenture, the Notes or the Guarantees except as provided in the Indenture. Subject to certain limitations, Holders of a majority in aggregate principal amount of the then outstanding Notes may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from Holders notice of any continuing Default (except a Default relating to the payment of principal, premium, if any, or interest) if it determines that withholding notice is in their interest. The Holders of a majority of

the aggregate principal amount of the Notes then outstanding by written notice to the Trustee may on behalf of the Holders of all of the Notes waive any existing Default or and its consequences under the Indenture except a continuing Default in payment of the principal of, premium, if any, or interest on, any of the Notes held by a nonconsenting Holder. The Issuer is required to deliver to the Trustee annually a statement regarding compliance with the Indenture, and the Issuer is required within thirty (30) Business Days after becoming aware of any Default, unless such Default has been cured, waived or is no longer continuing within such 30-day period, to deliver to the Trustee a statement specifying such Default and what action the Issuer proposes to take with respect thereto.

14. AUTHENTICATION. This Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose until authenticated by the manual signature of the Trustee.

15. GOVERNING LAW. THE INDENTURE, THIS NOTE AND ANY GUARANTEE WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

16. CUSIP AND ISIN NUMBERS. Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Issuer has caused CUSIP and ISIN numbers to be printed on the Notes and the Trustee may use CUSIP and ISIN numbers in notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

The Issuer will furnish to any Holder upon written request and without charge a copy of the Indenture. Requests may be made to the Issuer at the following address:

Life Time, Inc.
2902 Corporate Place, Chanhassen, Minnesota 55317
Tel. No.: (952) 947-0000

ASSIGNMENT FORM

To assign this Note, fill in the form below:

(I) or (we) assign and transfer this Note to: _____

(Insert assignee's legal name)

_____

(Insert assignee's soc. sec. or tax I.D. no.)

_____

_____

_____

_____

(Print or type assignee's name, address and zip code)

and irrevocably appoint _____ to transfer this Note on the books of the Issuer. The agent may substitute another to act for him.

Date: _____

Your Signature: _____

(Sign exactly as your name appears on the face of this Note)

Signature Guarantee*: _____

* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Note purchased by the Issuer pursuant to Section 4.10 or 4.14 of the Indenture, check the appropriate box below:

[ ] Section 4.10 [ ] Section 4.14

If you want to elect to have only part of this Note purchased by the Issuer pursuant to Section 4.10 or Section 4.14 of the Indenture, state the amount you elect to have purchased:

$

Date: _____

Your Signature: _____
(Sign exactly as your name appears on the face of this Note)

Tax Identification No.: _____

Signature Guarantee*: _____

* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

SCHEDULE OF EXCHANGES OF INTERESTS IN THE GLOBAL NOTE*

The initial outstanding principal amount of this Global Note is $. The following exchanges of a part of this Global Note for an interest in another Global Note or for a Definitive Note, or exchanges of a part of another Global or Definitive Note for an interest in this Global Note, have been made:

Date of Exchange	Amount of decrease in Principal Amount of this Global Note	Amount of increase in Principal Amount of this Global Note	Principal Amount of this Global Note following such decrease or increase	Signature of authorized signatory of Trustee or Custodian

* This schedule should be included only if the Note is issued in global form.

FORM OF CERTIFICATE OF TRANSFER

Life Time, Inc.
2902 Corporate Place
Chanhassen, Minnesota 55317
Attention: Thomas Bergmann / Chief Financial Officer
Email: tbergmann@lt.life
Facsimile: (952) 947-0099

Wilmington Savings Fund Society, FSB,
as Trustee and Registrar
500 Delaware Avenue, 11th Floor
Wilmington, DE 19808
Attention: Global Capital Markets – Life Time, Inc.
Fax No.: (302) 421-9137

Re: 5.750% Senior Secured Notes due 2026

Reference is hereby made to the Indenture, dated as of January 22, 2021 (the "Indenture"), among Life Time, Inc., the Guarantors party thereto from time to time, the Trustee and the Notes Collateral Agent. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

(the "Transferor") owns and proposes to transfer the Note[s] or interest in such Note[s] specified in Annex A hereto, in the principal amount of $ in such Note[s] or interests (the "Transfer"), to (the "Transferee"), as further specified in Annex A hereto. In connection with the Transfer, the Transferor hereby certifies that:

[CHECK ALL THAT APPLY]

1. [ ] CHECK IF TRANSFEREE WILL TAKE DELIVERY OF A BENEFICIAL INTEREST IN THE RELEVANT 144A GLOBAL NOTE OR RELEVANT DEFINITIVE NOTE PURSUANT TO RULE 144A. The Transfer is being effected pursuant to and in accordance with Rule 144A under the United States Securities Act of 1933, as amended (the "Securities Act"), and, accordingly, the Transferor hereby further certifies that the beneficial interest or Definitive Note is being transferred to a Person that the Transferor reasonably believes is purchasing the beneficial interest or Definitive Note for its own account, or for one or more accounts with respect to which such Person exercises sole investment discretion, and such Person and each such account is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A, and such Transfer is in compliance with any applicable blue sky securities laws of any state of the United States.

2. [ ] CHECK IF TRANSFEREE WILL TAKE DELIVERY OF A BENEFICIAL INTEREST IN THE RELEVANT REGULATION S GLOBAL NOTE OR RELEVANT DEFINITIVE NOTE PURSUANT TO REGULATION S. The Transfer is being effected

pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and, accordingly, the Transferor hereby further certifies that (i) the Transfer is not being made to a person in the United States and (x) at the time the buy order was originated, the Transferee was outside the United States or such Transferor and any Person acting on its behalf reasonably believed and believes that the Transferee was outside the United States or (y) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither such Transferor nor any Person acting on its behalf knows that the transaction was prearranged with a buyer in the United States, (ii) no directed selling efforts have been made in contravention of the requirements of Rule 903(b) or Rule 904(b) of Regulation S under the Securities Act, (iii) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act and (iv) if the proposed transfer is being made prior to the expiration of the applicable Restricted Period, the transfer is not being made to a U.S. Person or for the account or benefit of a U.S. Person (other than an Initial Purchaser). Upon consummation of the proposed transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will be subject to the restrictions on Transfer enumerated in the Indenture and the Securities Act.

3. [ ] CHECK IF TRANSFEREE WILL TAKE DELIVERY OF A BENEFICIAL INTEREST IN THE RELEVANT IAI GLOBAL NOTE OR RELEVANT DEFINITIVE NOTE PURSUANT TO RULE 501. The Transfer is being effected to an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act) that has furnished to the Trustee a signed letter substantially in the form of Exhibit E of the Indenture, and such Transfer is in compliance with any applicable blue sky laws of any state of the United States.

4. [ ] CHECK AND COMPLETE IF TRANSFEREE WILL TAKE DELIVERY OF A BENEFICIAL INTEREST IN THE RELEVANT DEFINITIVE NOTE PURSUANT TO ANY PROVISION OF THE SECURITIES ACT OTHER THAN RULE 144A OR REGULATION S. The Transfer is being effected in compliance with the transfer restrictions applicable to beneficial interests in Restricted Global Notes and Restricted Definitive Notes and pursuant to and in accordance with the Securities Act and any applicable blue sky securities laws of any state of the United States, and accordingly the Transferor hereby further certifies that (check one):

(a) [ ] such Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act; or

(b) [ ] such Transfer is being effected to the Issuer or a subsidiary thereof.

5. [ ] CHECK IF TRANSFEREE WILL TAKE DELIVERY OF A BENEFICIAL INTEREST IN AN UNRESTRICTED GLOBAL NOTE OR OF AN UNRESTRICTED DEFINITIVE NOTE.

(a) [ ] CHECK IF TRANSFER IS PURSUANT TO RULE 144. (i) The Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon

consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes, on Restricted Definitive Notes and in the Indenture.

(b) [ ] CHECK IF TRANSFER IS PURSUANT TO REGULATION S. (i) The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes, on Restricted Definitive Notes and in the Indenture.

(c) [ ] CHECK IF TRANSFER IS PURSUANT TO OTHER EXEMPTION. (i) The Transfer is being effected pursuant to and in compliance with an exemption from the registration requirements of the Securities Act other than Rule 144, Rule 903 or Rule 904 and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any State of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will not be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes or Restricted Definitive Notes and in the Indenture.

This certificate and the statements contained herein are made for your benefit and the benefit of the Issuer.

[Insert Name of Transferor]

By: _____
Name:
Title:

Dated: _____

ANNEX A TO CERTIFICATE OF TRANSFER

1. The Transferor owns and proposes to transfer the following:

[CHECK ONE OF (a) OR (b)]

(a) [ ] a beneficial interest in the:

(i) [ ] 144A Global Note ([CUSIP:]), or

(ii) [ ] Regulation S Global Note ([CUSIP:]), or

(iii) [ ] IAI Global Note ([CUSIP:]), or

(b) [ ] a Restricted Definitive Note.

2. After the Transfer the Transferee will hold:

[CHECK ONE]

(a) [ ] a beneficial interest in the:

(i) [ ] 144A Global Note ([CUSIP:]), or

(ii) [ ] Regulation S Global Note ([CUSIP:]), or

(iii) [ ] IAI Global Note ([CUSIP:]), or

(iv) [ ] Unrestricted Global Note ([ ] [ ]), or

(b) [ ] a Restricted Definitive Note; or

(c) [ ] an Unrestricted Definitive Note, in accordance with the terms of the Indenture.

FORM OF CERTIFICATE OF EXCHANGE

Life Time, Inc.
2902 Corporate Place
Chanhassen, Minnesota 55317
Attention: Thomas Bergmann / Chief Financial Officer
Email: tbergmann@lt.life
Facsimile: (952) 947-0099

Wilmington Savings Fund Society, FSB,
as Trustee and Registrar
500 Delaware Avenue, 11th Floor
Wilmington, DE 19808
Attention: Corporate Trust – Life Time, Inc.
Fax No.: (302) 421-9137

Re: 5.750% Senior Secured Notes due 2026

Reference is hereby made to the Indenture, dated as of January 22, 2021 (the "Indenture"), among Life Time, Inc., the Guarantors party thereto from time to time, the Trustee and the Notes Collateral Agent. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

(the "Owner") owns and proposes to exchange the Note[s] or interest in such Note[s] specified herein, in the principal amount of $ in such Note[s] or interests (the "Exchange"). In connection with the Exchange, the Owner hereby certifies that:

1) EXCHANGE OF RESTRICTED DEFINITIVE NOTES OR BENEFICIAL INTERESTS IN A RESTRICTED GLOBAL NOTE FOR UNRESTRICTED DEFINITIVE NOTES OR BENEFICIAL INTERESTS IN AN UNRESTRICTED GLOBAL NOTE OF THE SAME SERIES

a) [ ] CHECK IF EXCHANGE IS FROM BENEFICIAL INTEREST IN A RESTRICTED GLOBAL NOTE TO BENEFICIAL INTEREST IN AN UNRESTRICTED GLOBAL NOTE OF THE SAME SERIES. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for a beneficial interest in an Unrestricted Global Note of the same series in an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Global Notes and pursuant to and in accordance with the United States Securities Act of 1933, as amended (the "Securities Act"), (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the beneficial interest in an Unrestricted Global Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

b) [ ] CHECK IF EXCHANGE IS FROM BENEFICIAL INTEREST IN A RESTRICTED GLOBAL NOTE TO UNRESTRICTED DEFINITIVE NOTE OF THE SAME SERIES. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for an Unrestricted Definitive Note of the same series, the Owner hereby certifies (i) the Definitive Note is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the Definitive Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

c) [ ] CHECK IF EXCHANGE IS FROM RESTRICTED DEFINITIVE NOTE TO BENEFICIAL INTEREST IN AN UNRESTRICTED GLOBAL NOTE OF THE SAME SERIES. In connection with the Owner's Exchange of a Restricted Definitive Note for a beneficial interest in an Unrestricted Global Note of the same series, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Definitive Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the beneficial interest is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

d) [ ] CHECK IF EXCHANGE IS FROM RESTRICTED DEFINITIVE NOTE TO UNRESTRICTED DEFINITIVE NOTE OF THE SAME SERIES. In connection with the Owner's Exchange of a Restricted Definitive Note for an Unrestricted Definitive Note of the same series, the Owner hereby certifies (i) the Unrestricted Definitive Note is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Definitive Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the Unrestricted Definitive Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

2) EXCHANGE OF RESTRICTED DEFINITIVE NOTES OR BENEFICIAL INTERESTS IN RESTRICTED GLOBAL NOTES FOR RESTRICTED DEFINITIVE NOTES OF THE SAME SERIES OR BENEFICIAL INTERESTS IN RESTRICTED GLOBAL NOTES OF THE SAME SERIES

a) [ ] CHECK IF EXCHANGE IS FROM BENEFICIAL INTEREST IN A RESTRICTED GLOBAL NOTE TO RESTRICTED DEFINITIVE NOTE OF THE SAME SERIES. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for a Restricted Definitive Note of the same series with an equal principal amount, the Owner hereby certifies that the Restricted Definitive Note is being acquired for the Owner's own account without transfer. Upon consummation of the

proposed Exchange in accordance with the terms of the Indenture, the Restricted Definitive Note issued will continue to be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Definitive Note and in the Indenture and the Securities Act.

b) [ ] CHECK IF EXCHANGE IS FROM RESTRICTED DEFINITIVE NOTE TO BENEFICIAL INTEREST IN A RESTRICTED GLOBAL NOTE OF THE SAME SERIES. In connection with the Exchange of the Owner's Restricted Definitive Note for a beneficial interest in the [CHECK ONE]:

[ ] 144A Global Note,

[ ] Regulation S Global Note or

[ ] IAI Global Note,

in each case of the same series, with an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer and (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Notes and pursuant to and in accordance with the Securities Act, and in compliance with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed Exchange in accordance with the terms of the Indenture, the beneficial interest issued will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the relevant Restricted Global Note and in the Indenture and the Securities Act.

This certificate and the statements contained herein are made for your benefit and the benefit of the Issuer and are dated

[Insert Name of Transferor]

By: _____
Name:
Title:

FORM OF SUPPLEMENTAL INDENTURE
TO BE DELIVERED BY SUBSEQUENT GUARANTORS

Supplemental Indenture (this "Supplemental Indenture"), dated as of [ ], among [ ] (the "Guaranteeing Subsidiary"), a subsidiary of Life Time, Inc. a Minnesota corporation (the "Company"), and Wilmington Savings Fund Society, FSB, a federal savings bank, as trustee (in such capacity, the "Trustee") and as notes collateral agent (in such capacity, the "Notes Collateral Agent").

W I T N E S E T H

WHEREAS, Life Time, Inc. ("Life Time") has heretofore executed and delivered to the Trustee an Indenture (the "Indenture"), dated as of January 22, 2021, providing for the issuance of an unlimited aggregate principal amount of 5.750% Senior Secured Notes due 2026 (the "Notes");

WHEREAS, the Indenture provides that under certain circumstances the Guaranteeing Subsidiary shall execute and deliver to the Trustee a supplemental indenture pursuant to which the Guaranteeing Subsidiary shall unconditionally guarantee all of the Issuer's Obligations under the Notes and the Indenture on the terms and conditions set forth herein and under the Indenture (the "Guarantee"); and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee and the Notes Collateral Agent are authorized to execute and deliver this Supplemental Indenture.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties mutually covenant and agree for the equal and ratable benefit of the Holders as follows:

(1) Capitalized Terms. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

(2) Agreement to Guarantee. The Guaranteeing Subsidiary hereby agrees to provide an unconditional Guarantee on the terms and subject to the conditions set forth in the Indenture including, but not limited to, Article XI thereof.

(3) No Recourse Against Others. No past, present or future director, officer, employee, incorporator, member, partner or stockholder of the Issuer or any Guarantor or any Parent Company or their subsidiaries (other than the Issuer and the Guarantors) shall have any liability for any obligations of the Issuer or the Guarantors under the Notes, the Guarantees, the Indenture or this Supplemental Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting Notes waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

(4) Governing Law. THIS SUPPLEMENTAL INDENTURE WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

(5) Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. This Supplemental Indenture may be executed in multiple counterparts, which, when taken together, shall constitute one instrument. The exchange of copies of this Supplemental Indenture and of signature pages by facsimile or PDF transmissions shall constitute effective execution and delivery of this Supplemental Indenture as to the parties hereto and may be used in lieu of the original Supplemental Indenture for all purposes. Signatures of the parties hereto transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes.

(6) Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

(7) The Trustee. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Guaranteeing Subsidiary.

(8) Successors. All agreements of the Guaranteeing Subsidiary in this Supplemental Indenture shall bind its Successors, except as otherwise provided in this Supplemental Indenture. All agreements of the Trustee in this Supplemental Indenture shall bind its successors.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed, all as of the date first above written.

[GUARANTEEING SUBSIDIARY]

By: _____
Name:
Title:

WILMINGTON SAVINGS FUND SOCIETY,
FSB, as Trustee

By: _____
Name:
Title:

WILMINGTON SAVINGS FUND SOCIETY,
FSB, as Notes Collateral Agent

By: _____
Name:
Title:

FORM OF
TRANSFEREE LETTER OF REPRESENTATION

Life Time, Inc.
2902 Corporate Place
Chanhassen, Minnesota 55317
Attention: Thomas Bergmann / Chief Financial Officer
Email: tbergmann@lt.life
Facsimile: (952) 947-0099

Wilmington Savings Fund Society, FSB,
as Trustee and Registrar
500 Delaware Avenue, 11th Floor
Wilmington, DE 19808
Attention: Corporate Trust – Life Time, Inc.
Fax No.: (302) 421-9137

Ladies and Gentlemen:

This certificate is delivered to request a transfer of $[ ] principal amount of the 5.750% Senior Secured Notes due 2026 (the "Notes") of Life Time, Inc. (the "Issuer").

Upon transfer, the Notes would be registered in the name of the new beneficial owner as follows:

Name: _____

Address: _____

Taxpayer ID Number: _____

The undersigned represents and warrants to you that:

1. We are an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act of 1933, as amended (the "Securities Act")), purchasing for our own account or for the account of such an institutional "accredited investor" at least $250,000 principal amount of the Notes, and we are acquiring the Notes, for investment purposes and not with a view to, or for offer or sale in connection with, any distribution in violation of the Securities Act. We have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of our investment in the Notes, and we invest in or purchase securities similar to the Notes in the normal course of our business. We, and any accounts for which we are acting, are each able to bear the economic risk of our or its investment.

2. We understand that the Notes have not been registered under the Securities Act and, unless so registered, may not be sold except as permitted in the following sentence. We agree on our own behalf and on behalf of any investor account for which we are purchasing Notes to offer, sell or otherwise transfer such Notes prior to the date that is one year after the later of the date of original issue and the last date on which the Issuer or any affiliate of the Issuer was the owner of such Notes (or any predecessor thereto) (the "Resale Restriction Termination Date") only (a) to the Issuer or any Subsidiary thereof, (b) pursuant to a registration statement that has been declared effective under the Securities Act, (c) in a transaction complying with the requirements of Rule 144A under the Securities Act ("Rule 144A"), to a person we reasonably believe is a qualified institutional buyer under Rule 144A (a "QIB") that is purchasing for its own account or for the account of a QIB and to whom notice is given that the transfer is being made in reliance on Rule 144A, (d) pursuant to offers and sales to non-U.S. persons that occur outside the United States of America within the meaning of Regulation S under the Securities Act, (e) to an institutional "accredited investor" within the meaning of Rule 501(a)(1), (2), (3) or (7) under the Securities Act that is purchasing for its own account or for the account of such an institutional "accredited investor," in each case in a minimum principal amount of Notes of $250,000, for investment purposes and not with a view to, or for offer or sale in connection with, any distribution in violation of the Securities Act or (f) pursuant to any other available exemption from the registration requirements of the Securities Act, subject in each of the foregoing cases to any requirement of law that the disposition of our property or the property of such investor account or accounts be at all times within our or their control and in compliance with any applicable state securities laws. The foregoing restrictions on resale will not apply subsequent to the Resale Restriction Termination Date. If any resale or other transfer of the Notes is proposed to be made pursuant to clause (e) above prior to the Resale Restriction Termination Date, the transferor shall deliver a letter from the transferee substantially in the form of this letter to the Issuer and the Trustee, which shall provide, among other things, that the transferee is an institutional "accredited investor" within the meaning of Rule 501(a)(1), (2), (3) or (7) under the Securities Act and that it is acquiring such Notes for investment purposes and not for distribution in violation of the Securities Act. Each purchaser acknowledges that the Issuer and the Trustee reserve the right prior to the offer, sale or other transfer prior to the Resale Restriction Termination Date of the Notes pursuant to clause (d), (e) or (f) above to require the delivery of an opinion of counsel, certifications or other information satisfactory to the Issuer and the Trustee.

TRANSFEREE: _____

By: _____

Exhibit 4.2

INDENTURE

Dated as of February 5, 2021

Among

Life Time, Inc.,

The Guarantors Party Hereto

And

Wilmington Savings Fund Society, FSB,

as Trustee

8.000% SENIOR NOTES DUE 2026

CONTENTS

INDENTURE, dated as of February 5, 2021, between Life Time, Inc., a Minnesota corporation, the Guarantors party hereto from time to time (as defined herein), and Wilmington Savings Fund Society, FSB, as trustee (in such capacity, the "Trustee").

W I T N E S S E T H

WHEREAS, the Issuer (as defined herein) has duly authorized the creation of an issue of $475,000,000 aggregate principal amount of the Issuer's 8.000% senior notes due 2026 (the "Notes"); and

WHEREAS, the Issuer has duly authorized the execution and delivery of this Indenture (as defined herein).

NOW, THEREFORE, the Issuer and the Trustee agree as follows for the benefit of each other and for the equal and ratable benefit of the Holders (as defined herein).

ARTICLE I

DEFINITIONS AND INCORPORATION BY REFERENCE

SECTION 1.01. Definitions.

"144A Global Note" means a Global Note substantially in the form ofExhibit A attached hereto, bearing the Global Note Legend and the Private Placement Legend and deposited with or on behalf of, and registered in the name of, the Depositary or its nominee, issued in a denomination equal to the outstanding principal amount of the Notes sold in reliance on Rule 144A.

"Acquired Indebtedness" means, with respect to any specified Person,

(1) Indebtedness of any other Person existing at the time such other Person is merged, consolidated or amalgamated with or into or became a Restricted Subsidiary of such specified Person, including Indebtedness incurred in connection with, or in contemplation of, such other Person merging, amalgamating or consolidating with or into, or becoming a Restricted Subsidiary of, such specified Person, and

(2) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

"Additional Notes" means additional Notes (other than the Initial Notes) issued under this Indenture in accordance with Sections 2.02 and 4.09 hereof, as part of the same series as the Notes issued on the Issue Date (the "Initial Notes").

"Adjusted EBITDA" means, with respect to any Person for any period, the Consolidated Net Income of such Person and its Restricted Subsidiaries for such period:

(1) increased (without duplication) by the following, in each case to the extent deducted (and not added back) in determining Consolidated Net Income for such period (other than clauses (h), (l) and (m)):

(a) Fixed Charges and, to the extent not reflected in such Fixed Charges, any losses on Hedging Obligations or other derivative instruments entered into for the purpose of hedging interest rate risk, net of interest income and gains on such Hedging Obligations or such derivative instruments, and bank and letter of credit fees and costs of surety bonds in connection with financing activities, together with items excluded from the definition of "Consolidated Interest Expense" pursuant to the definition thereof; *plus*

(b) provision for taxes based on income, profits, revenue or capital, including federal, foreign and state income, franchise, excise, value added and similar taxes, property taxes and similar taxes, and foreign withholding taxes paid or accrued during such period (including any future taxes or other levies that replace or are intended to be in lieu of taxes, and any penalties and interest related to taxes or arising from tax examinations), and any payments to a Parent Company in respect of such taxes permitted to be made under this Indenture; *plus*

(c) Consolidated Depreciation and Amortization Expense for such period;*plus*

(d) any other non-cash charges, including any write-offs or write-downs reducing Consolidated Net Income for such period (*provided*, if any such non-cash charges represent an accrual or reserve for potential cash items in any future period, (A) the Issuer may determine not to add back such non-cash charge in the current period and (B) to the extent the Issuer does decide to add back such non-cash charge, the cash payment in respect thereof in such future period shall be subtracted from Adjusted EBITDA to such extent, and excluding amortization of a prepaid cash item that was paid in a prior period); *plus*

(e) minority interest expense, the amount of any non-controlling interest consisting of income attributable to non-controlling interests of third parties in any non-wholly-owned Subsidiary deducted (and not added back) in such period to Consolidated Net Income, excluding cash distributions in respect thereof, and the amount of any reductions in arriving at Consolidated Net Income resulting from the application of Accounting Standards Codification Topic No. 810, *Consolidation; plus*

(f) (i) the amount of management, monitoring, consulting, transaction, advisory and other fees (including termination fees) and indemnities and expenses paid or accrued in such period under the Management Services Agreement or otherwise to the extent otherwise permitted under Section 4.11 and (ii) the amount of payments made to option holders of such Person or any Parent Company in connection with, or as a result of, any distribution being made to shareholders of such Person or its Parent Companies, which payments are being made to compensate such option holders as though they were shareholders at the time of, and entitled to share in, such distribution, in each case to the extent permitted under this Indenture; *plus*

(g) the amount of loss or discount on sale of receivables, Securitization Assets and related assets to any Securitization Subsidiary in connection with a Qualified Securitization Facility; *plus*

(h) cash receipts (or any netting arrangements resulting in reduced cash expenditures) not representing Adjusted EBITDA or Consolidated Net Income in any period to the extent non-cash gains relating to such income were deducted in the calculation of Adjusted EBITDA pursuant to clause (2) of this definition for any previous period and not added back; *plus*

(i) any costs or expenses incurred pursuant to any management equity plan, stock option plan or any other management or employee benefit plan, agreement or any stock subscription or shareholder agreement, to the extent that such costs or expenses are funded with cash proceeds contributed to the capital of such Person or net cash proceeds of an issuance of Equity Interest of such Person (other than Disqualified Stock); *plus*

(j) any net pension or other post-employment benefit costs representing amortization of unrecognized prior service costs, actuarial losses, including amortization of such amounts arising in prior periods, amortization of the unrecognized net obligation (and loss or cost) existing at the date of initial application of *FASB Accounting Standards Codification Topic 715—Compensation—Retirement Benefits*, and any other items of a similar nature; *plus*

(k) any net loss from operations expected to be disposed of, abandoned or discontinued within twelve months after the end of such period; *plus*

(l) the amount of "run rate" net cost savings, synergies and operating expense reductions (other than any of the foregoing related to Specified Transactions) projected by the Issuer in good faith to result from actions taken, committed to be taken or that are expected in good faith to be taken no later than twenty four (24) months after the end of such period (calculated on a *pro forma* basis as though such cost savings, operating expense reductions and synergies had been realized on the first day of the period for which Adjusted EBITDA is being determined and if such cost savings, operating expense reductions and synergies were realized during the entirety of such period), net of the amount of actual benefits realized during such period from such actions; *provided*, such cost savings, operating expense reductions and synergies are reasonably identifiable and factually supportable (it is understood and agreed that "run-rate" means the full recurring benefit for a period that is associated with any action taken, committed to be taken or with respect to which substantial steps have been taken or are expected to be taken); *plus*

(m) any payments in the nature of compensation or expense reimbursement made to independent board members;

(2) decreased (without duplication) by the following, in each case to the extent included in determining Consolidated Net Income for such period:

(a) non-cash gains for such period (excluding any non-cash gain to the extent it represents the reversal of an accrual or reserve for a potential cash item that reduced Consolidated Net Income or Adjusted EBITDA in any prior period other than any such accrual or reserve that has been added back to Consolidated Net Income in calculating Adjusted EBITDA in accordance with this definition); and

(b) the amount of any non-controlling interest consisting of loss attributable to non-controlling interests of third parties in any non-Wholly-Owned Subsidiary added (and not deducted in such period from Consolidated Net Income).

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise.

"Agent" means any Registrar, co-registrar, Transfer Agent, Paying Agent or additional paying agent.

"AHYDO Payment" means any mandatory prepayment or redemption pursuant to the terms of any Indebtedness that is intended or designed to cause such Indebtedness not to be treated as an "applicable high yield discount obligation" within the meaning of Section 163(i) of the Code.

"Applicable Premium" means, with respect to any Note on any Redemption Date, the greater of:

(1) 1.0% of the principal amount of such Note; and

(2) the excess, if any, of:

(a) the present value at such Redemption Date calculated as of the date of the applicable redemption notice of (i) the redemption price of such Note at February 1, 2023 (each such redemption price being set forth in the table appearing in Section 3.07(e)), *plus* (ii) all required remaining scheduled interest payments due on such Note through February 1, 2023 (excluding accrued but unpaid interest to, but excluding, the Redemption Date), computed using a discount rate equal to the Treasury Rate as of such Redemption Date *plus* 50 basis points (such discount rate shall not be less than zero); over

(b) the then outstanding principal amount of such Note on such Redemption Date,

as calculated by the Issuer or on behalf of the Issuer by such Person as the Issuer will designate; *provided*, such calculation will not be the duty or obligation of the Trustee.

"Applicable Procedures" means, with respect to any transfer or exchange of or for beneficial interests in any Global Note, the rules and procedures of the Depositary, Euroclear and Clearstream that apply to such transfer or exchange.

"Asset Sale" means:

(1) the sale, conveyance, transfer or other disposition, whether in a single transaction or a series of related transactions of property or assets of the Issuer or any Restricted Subsidiary (each referred to in this definition as a "disposition"); or

(2) the issuance or sale of Equity Interests (other than Preferred Stock or Disqualified Stock of Restricted Subsidiaries issued in compliance with Section 4.09 and directors' qualifying shares or shares or interests required to be held by foreign nationals or other third parties to the extent required by applicable law) of any Restricted Subsidiary (other than to the Issuer or another Restricted Subsidiary), whether in a single transaction or a series of related transactions;

in each case, other than:

(a) any disposition of (i) Cash Equivalents or Investment Grade Securities, (ii) obsolete, damaged or worn out property or assets in the ordinary course of business or consistent with industry practice or any disposition of inventory, assets or goods (or other assets) held for sale or no longer used or useful in the ordinary course, (iii) assets no longer economically practicable or commercially reasonable to maintain (as determined in good faith by the management of the Issuer), (iv) dispositions to landlords of improvements made to leased real property pursuant to customary terms of leases entered into in the ordinary course of business and (v) assets for purposes of charitable contributions or similar gifts to the extent such assets are not material to the ability of the Issuer and its Restricted Subsidiaries, taken as a whole, to conduct its business in the ordinary course;

(b) the disposition of all or substantially all of the assets of the Issuer in a manner permitted pursuant to Section 5.01 or any disposition that constitutes a Change of Control pursuant to this Indenture;

(c) any disposition in connection with the making of any Restricted Payment that is permitted to be made, and is made, under Section 4.07 or any Permitted Investment or any acquisition otherwise permitted by this Indenture;

(d) any disposition of property or assets or issuance or sale of Equity Interests of any Restricted Subsidiary in any transaction or series of related transactions with an aggregate fair market value of less than the greater of $30.0 million and 7.5% of Run-Rate Adjusted EBITDA of the Issuer for the most recently ended Test Period;

(e) any disposition of property or assets or issuance of securities by a Restricted Subsidiary to the Issuer or by the Issuer or a Restricted Subsidiary to a Restricted Subsidiary;

(f) to the extent allowable under Section 1031 of the Code, any exchange of like property (excluding any boot thereon) for use in a Similar Business;

(g) (i) the lease, assignment or sub-lease, license or sublicense of any real or personal property in the ordinary course of business or consistent with industry practice and (ii) the exercise of termination rights with respect to any lease, sub-lease, license or sublicense or other agreement;

(h) any issuance, disposition or sale of Equity Interests in, or Indebtedness, assets or other securities of, an Unrestricted Subsidiary;

(i) foreclosures, condemnation, expropriation, eminent domain or any similar action with respect to assets or the granting of Liens not prohibited by this Indenture;

(j) sales of accounts receivable, or participations therein, or Securitization Assets or related assets in connection with any Qualified Securitization Facility or the disposition of an account receivable in connection with the collection or compromise thereof in the ordinary course of business or consistent with industry practice or in bankruptcy or similar proceedings;

(k) any financing transaction with respect to property built or acquired by the Issuer or any Restricted Subsidiary after the Issue Date, including asset securitizations permitted by this Indenture;

(l) the sale, lease, assignment, license, sublease or discount of inventory, equipment, accounts receivable, notes receivable or other current assets in the ordinary course of business or consistent with industry practice or the conversion of accounts receivable to notes receivable or other dispositions of accounts receivable in connection with the collection thereof;

(m) the licensing or sub-licensing of intellectual property or other general intangibles in the ordinary course of business or consistent with industry practice;

(n) any surrender or waiver of contract rights or the settlement, release or surrender of contract rights or other litigation claims in the ordinary course of business or consistent with industry practice;

(o) the unwinding of any Hedging Obligations;

(p) sales, transfers and other dispositions of Investments in joint ventures to the extent required by, or made pursuant to, customary buy/sell arrangements between the joint venture parties set forth in joint venture arrangements and similar binding arrangements;

(q) the lapse or abandonment of intellectual property rights in the ordinary course of business or consistent with industry practice, which in the reasonable good faith determination of the Issuer are not material to the conduct of the business of the Issuer and its Restricted Subsidiaries taken as a whole;

(r) the granting of a Lien that is permitted under Section 4.12;

(s) the issuance of directors' qualifying shares and shares of Capital Stock of Foreign Subsidiaries issued to foreign nationals as required by applicable law;

(t) the disposition of any assets (including Equity Interests) (i) acquired in a transaction permitted under this Indenture, which assets are not used or useful in the principal business of the Issuer and its Restricted Subsidiaries or (ii) made in connection with the approval of any applicable antitrust authority or otherwise necessary or advisable in the good faith determination of the Issuer to consummate any acquisition permitted under this Indenture;

(u) dispositions of property to the extent that such property is exchanged for credit against the purchase price of similar replacement property;

(v) in connection with any Sale and Lease-Back Transaction, including with an Unrestricted Subsidiary;

(w) the settlement or early termination of any Permitted Bond Hedge Transaction and the settlement or early termination of any related Permitted Warrant Transaction;

(x) dispositions of vacant land or aircraft;

(y) a disposition of all or a portion of the Equity Interests in or assets of Athlinks, Inc. and its Subsidiaries; and

(z) the sales of property or assets for an aggregate fair market value not to exceed $125.0 million since the Issue Date.

"Attributable Indebtedness" means, on any date, with respect of any Capitalized Lease Obligation of any Person, the amount thereof that would appear as a liability on a balance sheet of such Person prepared as of such date in accordance with GAAP.

"Average Return on Invested Capital" means 16.4%.

"Bank Administrative Agent" means Deutsche Bank AG New York Branch, as administrative agent under the Senior Credit Agreement and its replacements, successors and permitted assigns thereunder.

"Bankruptcy Code" means Title 11 of the United States Code, as amended.

"Board of Directors" means, for any Person, the board of directors or other governing body of such Person or, if such Person does not have such a board of directors or other governing body and is owned or managed by a single entity, the Board of Directors of such entity, or, in either case, any committee thereof duly authorized to act on behalf of such Board of Directors. Unless otherwise provided, "Board of Directors" means the board of directors of the Issuer.

"Business Day" means each day which is not a Legal Holiday.

"Capital Markets Indebtedness" means any Indebtedness consisting of bonds, debentures, notes or other similar debt securities issued in (a) a public offering registered under the Securities Act, (b) a private placement to institutional investors that is resold in accordance with Rule 144A or Regulation S under the Securities Act, whether or not it includes registration rights entitling the holders of such debt securities to registration thereof with the SEC or (c) a private placement to institutional investors. For the avoidance of doubt, the term "Capital Markets Indebtedness" does not include any Indebtedness under commercial bank facilities, Indebtedness incurred in connection with a Sale and Lease-Back Transaction, Indebtedness incurred in the ordinary course of business of the Issuer, Capitalized Lease Obligations or recourse transfer of any financial asset or any other type of Indebtedness incurred in a manner not customarily viewed as a "securities offering".

"Capital Stock" means:

(1) in the case of a corporation, corporate stock or shares in the capital of such corporation;

(2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(3) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited); and

(4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person;

but excluding from all of the foregoing any debt securities convertible into or exchangeable for Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

"Capitalized Lease Obligation" means, at the time any determination thereof is to be made, the amount of the liability in respect of a finance lease that would at such time be required to be capitalized and reflected as a liability on a balance sheet (excluding the footnotes thereto) prepared in accordance with GAAP as in effect on January 22, 2021. For the avoidance of doubt, no obligations under an operating lease (whether or not required to be capitalized and reflected as a liability on the balance sheet) shall be Capitalized Lease Obligations.

"Capitalized Software Expenditures" means, for any period, the aggregate of all expenditures (whether paid in cash or accrued as liabilities) by a Person and its Restricted Subsidiaries during such period in respect of licensed or purchased software or internally developed software and software enhancements that, in conformity with GAAP, are or are required to be reflected as capitalized costs on the consolidated balance sheet of a Person and its Restricted Subsidiaries.

"Captive Insurance Subsidiary" means any Subsidiary of the Issuer that is subject to regulation as an insurance company (or any Subsidiary thereof).

"Cash Equivalents" means:

(1) United States dollars;

(2) (a) Euros, Yen, Canadian Dollars, Pounds Sterling or any national currency of any Participating Member State of the EMU; or

(b) in the case of any Foreign Subsidiary or any jurisdiction in which the Issuer or its Restricted Subsidiaries conducts business, such local currencies held by it from time to time in the ordinary course of business or consistent with industry practice;

(3) readily marketable direct obligations issued or directly and fully and unconditionally guaranteed or insured by the United States government or any agency or instrumentality thereof the securities of which are unconditionally guaranteed as a full faith and credit obligation of such government with maturities of 36 months or less from the date of acquisition;

(4) certificates of deposit, time deposits and eurodollar time deposits with maturities of three years or less from the date of acquisition, demand deposits, bankers' acceptances with maturities not exceeding three years and overnight bank deposits, in each case with any domestic or foreign commercial bank having capital and surplus of not less than $500.0 million in the case of U.S. banks and $100.0 million (or the United States dollar equivalent as of the date of determination) in the case of non-U.S. banks;

(5) repurchase obligations for underlying securities of the types described in clauses (3) and (4) above or clauses (7) and (8) below entered into with any financial institution or recognized securities dealer meeting the qualifications specified in clause (4) above;

(6) commercial paper and variable or fixed rate notes rated at least P-2 by Moody's or at least A-2 by S&P (or, if at any time neither Moody's nor S&P is rating such obligations, an equivalent rating from another nationally recognized statistical rating agency selected by the Issuer) and in each case maturing within 36 months after the date of acquisition;

(7) marketable short-term money market and similar liquid funds having a rating of at least P-2 or A-2 from either Moody's or S&P, respectively (or, if at any time neither Moody's nor S&P is rating such obligations, an equivalent rating from another nationally recognized statistical rating agency selected by the Issuer);

(8) securities issued or directly and fully and unconditionally guaranteed by any state, commonwealth or territory of the United States or any political subdivision or taxing authority of any such state, commonwealth or territory or any public instrumentality thereof having maturities of not more than 36 months from the date of acquisition thereof;

(9) readily marketable direct obligations issued or directly and fully and unconditionally guaranteed by any foreign government or any political subdivision or public instrumentality thereof, in each case, having an Investment Grade Rating from either Moody's or S&P (or, if at any time neither Moody's nor S&P is rating such obligations, an equivalent rating from another nationally recognized statistical rating agency selected by the Issuer) with maturities of 36 months or less from the date of acquisition;

(10) Indebtedness or Preferred Stock issued by Persons with a rating of "A" or higher from S&P or "A2" or higher from Moody's (or, if at any time neither Moody's nor S&P is rating such obligations, an equivalent rating from another nationally recognized statistical rating agency selected by the Issuer) with maturities of 24 months or less from the date of acquisition;

(11) Investments with average maturities of 36 months or less from the date of acquisition in money market funds rated AAA- (or the equivalent thereof) or better by S&P or Aaa3 (or the equivalent thereof) or better by Moody's (or, if at any time neither Moody's nor S&P is rating such obligations, an equivalent rating from another nationally recognized statistical rating agency selected by the Issuer);

(12) investment funds investing substantially all of their assets in securities of the types described in clauses (1) through (11) above; and

(13) solely with respect to any Captive Insurance Subsidiary, any investment that the Captive Insurance Subsidiary is not prohibited to make in accordance with applicable law.

In the case of Investments by any Foreign Subsidiary or Investments made in a country outside the United States of America, Cash Equivalents will also include (i) investments of the type and maturity described in clauses (1) through (13) above of foreign obligors, which Investments or obligors (or the parents of such obligors) have ratings described in such clauses or equivalent ratings from comparable foreign rating agencies and (ii) other short-term investments utilized by Foreign Subsidiaries in accordance with normal investment practices for cash management in investments analogous to the foregoing investments in clauses (1) through (13) and in this paragraph.

Notwithstanding the foregoing, Cash Equivalents will include amounts denominated in currencies other than those set forth in clauses (1) and (2) above; *provided*, such amounts, except amounts used to pay non-dollar denominated obligations of the Issuer or any Restricted Subsidiary in the ordinary course of business, are converted into any currency listed in clause (1) or (2) above as promptly as practicable and in any event within ten (10) Business Days following the receipt of such amounts.

"Cash Management Obligations" means Obligations in respect of Cash Management Services.

"Cash Management Services" means any agreement or arrangement to provide cash management services, including treasury, depository, cash pooling arrangements, automated clearing house transfers, overdraft, credit card processing or credit or debit card, purchase card, electronic funds transfer and other cash management and similar arrangements.

"CFC" means a "controlled foreign corporation" within the meaning of Section 957(a) of the Code.

"CFC Holdco" means a Domestic Subsidiary that has no material assets other than the Equity Interests in or Indebtedness of one or more Foreign Subsidiaries that are CFCs, including the indirect ownership of such Equity Interests or Indebtedness through one or more CFC Holdcos that have no other material assets.

"Change of Control" means the occurrence of the following after the Issue Date:

(a) any Person (other than a Permitted Holder) or (b) Persons (other than one or more Permitted Holders) constituting a "group" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act), becoming the "beneficial owner" (as defined in Rules 13(d)-3 and 13(d)-5 under such Act, but excluding any employee benefit plan and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) of Equity Interests of the Issuer or such Parent Company representing more than fifty percent (50%) of the aggregate ordinary voting power represented by the issued and outstanding Equity Interests of the Issuer or such Parent Company, as applicable, and the percentage of aggregate ordinary voting power so held is greater than the percentage

of the aggregate ordinary voting power represented by the Equity Interests of the Issuer or such Parent Company beneficially owned, directly or indirectly, in the aggregate by the Permitted Holders, in each case, on a fully diluted basis (*provided*, *however*, that for purposes of measuring beneficial ownership held by any Person that is not a Permitted Holder, Equity Interests held by any Permitted Holder will be excluded);

unless, in each case, the Permitted Holders have, at such time, the right or the ability by voting power, contract or otherwise to elect or designate for election at least a majority of the board of directors of the Issuer or any Parent Company.

Notwithstanding the foregoing, a Person or group shall not be deemed to have beneficial ownership of securities that such person or group has the right to acquire or vote only upon the happening of any future event or contingency (including the passage of time) that has not yet occurred (including securities subject to a stock purchase agreement, merger agreement or similar agreement (or voting or option agreement related thereto) prior to the consummation of the transactions contemplated by such agreement).

In addition, notwithstanding the foregoing, the following shall not constitute a Change of Control:

(1) a transaction in which the Issuer or a parent entity of the Issuer becomes a Subsidiary of another Person (such Person, the "New Parent") shall not constitute a Change of Control if (a) the equity holders of the Issuer or such parent entity immediately prior to such transaction beneficially own, directly or indirectly through one or more intermediaries, at least a majority of the total voting power of the Voting Stock of the Issuer or such New Parent immediately following the consummation of such transaction, substantially in proportion to their holdings of the equity of the Issuer or such parent entity prior to such transaction or (b) immediately following the consummation of such transaction, no Person, other than a Permitted Holder, the New Parent or any Subsidiary of the New Parent, beneficially owns, directly or indirectly through one or more intermediaries, more than 50% of the voting power of the Voting Stock of the Issuer or the New Parent; or

(2) the transfer of assets between or among the Issuer and the Restricted Subsidiaries.

"Clearstream" means Clearstream Banking, Société Anonyme and its successors.

"Co-Investors" means any of (a) the holders of Equity Interests in Holdings (or any Parent Company) on the Issue Date, (b) the transferees, if any, that acquire, within ninety (90) days of the Issue Date, any Equity Interests in Holdings (or any Parent Company) held by any Investor, Co-Investor or Management Stockholder as of the Issue Date and (c) any of their respective Affiliates and funds or partnerships managed or advised by any of them or any of their respective Affiliates.

"Code" means the U.S. Internal Revenue Code of 1986, as amended from time to time.

"Consolidated Depreciation and Amortization Expense" means, with respect to any Person for any period, the total amount of depreciation and amortization expense of such Person and its Restricted Subsidiaries, including, the amortization of intangible assets, deferred financing fees, debt issuance costs, commissions, fees and expenses and amortization of Capitalized Software Expenditures of such Person and its Restricted Subsidiaries for such period on a consolidated basis and otherwise determined in accordance with GAAP.

"Consolidated Interest Expense" means, with respect to any Person for any period, without duplication, the sum of:

(1) cash interest expense (including that attributable to Capitalized Lease Obligations), net of cash interest income, with respect to Indebtedness of such Person and its Restricted Subsidiaries for such period, other than Non-Recourse Indebtedness, including commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing and net cash costs under hedging agreements (other than in connection with the early termination thereof); *plus*

(2) non-cash interest expense resulting solely from (a) the amortization of original issue discount from the issuance of Indebtedness of such Person and its Restricted Subsidiaries at less than par (excluding the Notes and any Indebtedness borrowed under the Senior Credit Facilities and any Non-Recourse Indebtedness), *plus* (b) pay-in-kind interest expense of such Person and its Restricted Subsidiaries payable pursuant to the terms of the agreements governing such Indebtedness for borrowed money,

excluding, in each case, (i) amortization of deferred financing costs, debt issuance costs, commissions, fees and expenses and any other amounts of non-cash interest other than referred to in clauses (2)(a) and 2(b) above (including as a result of the effects of acquisition method accounting or pushdown accounting), (ii) interest expense attributable to the movement of the mark-to-market valuation of obligations under Hedging Obligations or other derivative instruments, including pursuant to FASB Accounting Standards Codification Topic 815—*Derivatives and Hedging*, (iii) costs associated with incurring and/or terminating Hedging Obligations and cash costs associated with breakage in respect of hedging agreements for interest rates, (iv) commissions, discounts, yield, make-whole premium and other fees and charges (including any interest expense) incurred in connection with any Non-Recourse Indebtedness, (v) "additional interest" owing pursuant to a registration rights agreement with respect to any securities, (vi) any payments with respect to make-whole premiums or other breakage costs of any Indebtedness, including any Indebtedness issued in connection with the Transactions and the Refinancing Transactions, (vii) penalties and interest relating to taxes, (viii) accretion or accrual of discounted liabilities not constituting Indebtedness, (ix) interest expense attributable to a Parent Company resulting from push-down accounting, (x) any expense resulting from the discounting of Indebtedness in connection with the application of recapitalization or purchase accounting, (xi) any interest expense attributable to the exercise of appraisal rights and the settlement of any claims or actions (whether actual, contingent or potential), with respect thereto and with respect to any acquisition or Investment and (xii) annual agency fees paid to the administrative agents and collateral agents with respect to any secured or unsecured loans, debt facilities, debentures, bonds, commercial paper facilities or other forms of Indebtedness (including any security or collateral trust arrangements related thereto), including under any Credit Facilities, the Notes or the Existing Secured Notes.

For purposes of this definition, interest on a Capitalized Lease Obligation will be deemed to accrue at an interest rate reasonably determined by such Person to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP.

"Consolidated Net Income" means, with respect to any Person, for any period, the net income (loss) of such Person and its Restricted Subsidiaries for such period determined on a consolidated basis in accordance with GAAP, excluding (and excluding the effect of), without duplication,

(1) extraordinary, non-recurring or unusual gains, losses, fees, costs, charges or expenses (including relating to any multi-year strategic initiatives and accruals and reserves in connection with such gains, losses, charges or expenses); restructuring costs, charges, accruals or reserves (including restructuring and integration costs related to acquisitions and adjustments to existing reserves, and in each case, whether or not classified as such under GAAP); costs and expenses related to any reconstruction, decommissioning, recommissioning or reconfiguration of facilities and fixed assets for alternative uses; Public Company Costs; costs and expenses related to the integration, consolidation, opening, pre-opening and closing of facilities and fixed assets; severance and relocation costs and expenses, one-time compensation costs and expenses, consulting fees, signing, retention or completion bonuses, and executive recruiting costs; costs and expenses incurred in connection with strategic initiatives; transition costs and duplicative running costs; costs and expenses incurred in connection with non-ordinary course product and intellectual property development; costs incurred in connection with acquisitions (or purchases of assets) prior to or after the Issue Date (including integration costs); business optimization expenses (including costs and expenses relating to business optimization programs, new systems design, retention charges, system establishment costs and implementation costs and project start-up costs), accruals and reserves; operating expenses attributable to the implementation of cost-savings initiatives; curtailments and modifications to pension and post-retirement employee benefit plans (including any settlement of pension liabilities and charges resulting from changes in estimates, valuations and judgments);

(2) the cumulative effect of a change in accounting principles and changes as a result of the adoption or modification of accounting policies during such period whether effected through a cumulative effect adjustment or a retroactive application, in each case in accordance with GAAP;

(3) Transaction Expenses;

(4) any gain (loss) on asset sales, disposals or abandonments (other than asset sales, disposals or abandonments in the ordinary course of business or consistent with industry practice) or income (loss) from discontinued operations (but if such operations are classified as discontinued due to the fact that they are subject to an agreement to dispose of such operations, only when and to the extent such operations are actually disposed of);

(5) the Net Income for such period of any Person that is an Unrestricted Subsidiary, and, solely for the purpose of determining the amount available for Restricted Payments under Section 4.07(a)(iv)(C)(1), the Net Income for such period of any Person that is not a Subsidiary or that is accounted for by the equity method of accounting; (*provided*, Consolidated Net Income of a Person will be increased by the amount of dividends or distributions or other payments that are actually paid in cash or Cash Equivalents (or to the extent converted into cash or Cash Equivalents) to such Person or a Restricted Subsidiary thereof in respect of such period);

(6) solely for the purpose of determining the amount available for Restricted Payments under Section 4.07(a)(iv)(C)(1), the Net Income for such period of any Restricted Subsidiary (other than any Guarantor) to the extent that the declaration or payment of dividends or similar distributions by that Restricted Subsidiary of its Net Income is not at the date of determination permitted without any prior governmental approval (which has not been obtained) or, directly or indirectly, by the operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule, or governmental regulation applicable to that Restricted Subsidiary or its stockholders, unless such restriction with respect to the payment of dividends or similar distributions has been legally waived (or the Issuer reasonably believes such restriction could be waived and is using commercially reasonable efforts to pursue such waiver); *provided*, Consolidated Net Income of a Person will be increased by the amount of dividends or other distributions or other payments actually paid in cash or Cash Equivalents (or to the extent converted into cash or Cash Equivalents), or the amount that could have been paid in cash or Cash Equivalents without violating any such restriction or requiring any such approval, to such Person or a Restricted Subsidiary thereof in respect of such period, to the extent not already included therein;

(7) effects of adjustments (including the effects of such adjustments pushed down to such Person and its Restricted Subsidiaries) related to the application of recapitalization accounting or purchase accounting (including in the inventory, property and equipment, software, goodwill, intangible assets, in process research and development, deferred revenue and debt line items);

(8) income (loss) from the early extinguishment or conversion of (a) Indebtedness, (b) Hedging Obligations or (c) other derivative instruments;

(9) any impairment charge or asset write-off or write-down in each case, pursuant to GAAP, and the amortization of intangibles arising pursuant to GAAP;

(10) (a) any equity based or non-cash compensation charge or expense, including any such charge or expense arising from grants of stock appreciation, equity incentive programs or similar rights, stock options, restricted stock or other rights to, and any cash charges associated with the rollover, acceleration, or payout of, Equity Interests by management of such Person or of a Restricted Subsidiary or any Parent Company, (b) noncash compensation expense resulting from the application of Accounting Standards Codification Topic No. 718, *Compensation—Stock Compensation* or Accounting Standards Codification Topic 505-50, *Equity-Based Payments to Non-Employees*, and (c) any income (loss) attributable to deferred compensation plans or trusts;

(11) any fees, expenses or charges incurred during such period, or any amortization thereof for such period, in connection with any acquisition, Investment, Asset Sale, disposition, incurrence or repayment of Indebtedness (including such fees, expenses or charges related to the offering and issuance of the Notes and the Existing Secured Notes and the syndication and incurrence of any Credit Facilities), issuance of Equity Interests (including by any direct or indirect parent of the Issuer), recapitalization, refinancing transaction or amendment or modification of any debt instrument (including any amendment or other modification of the Notes, the Existing Secured Notes and other securities and any Credit Facilities) and including, in each case, any such transaction whether consummated on, after or prior to the Issue Date and any such transaction undertaken but not completed, and any charges or nonrecurring merger costs incurred during such period as a result of any such transaction, in each case whether or not successful or consummated (including, for the avoidance of doubt, the effects of expensing all transaction related expenses in accordance with Accounting Standards Codification Topic No. 805, *Business Combinations*);

(12) accruals and reserves that are established or adjusted in connection with the Transactions, an Investment or an acquisition that are required to be established or adjusted as a result of the Transactions, such Investment or such acquisition, in each case in accordance with GAAP;

(13) any expenses, charges or losses to the extent covered by insurance that are, directly or indirectly, reimbursed or reimbursable by a third party, and any expenses, charges or losses that are covered by indemnification or other reimbursement provisions in connection with any acquisition, Investment or any sale, conveyance, transfer or other disposition of assets permitted under this Indenture;

(14) any non-cash gain (loss) attributable to the mark to market movement in the valuation of Hedging Obligations or other derivative instruments pursuant to *FASB Accounting Standards Codification Topic 815—Derivatives and Hedging* or mark to market movement of other financial instruments pursuant to *FASB Accounting Standards Codification Topic 825—Financial Instruments*;

(15) any net unrealized gain or loss (after any offset) resulting in such period from currency transaction or translation gains or losses including those related to currency remeasurements of Indebtedness (including any net loss or gain resulting from (a) Hedging Obligations for currency exchange risk and (b) resulting from intercompany indebtedness) and any other foreign currency transaction or translation gains and losses, to the extent such gain or losses are non-cash items;

(16) any adjustments resulting from the application of Accounting Standards Codification Topic No. 460,*Guarantees*, or any comparable regulation;

(17) any non-cash rent expense;

(18) the amount of any management, monitoring, consulting, transaction and advisory fees and related expenses paid to the Investors (or any accruals relating to such fees and related expenses) during such period to the extent otherwise permitted by Section 4.11;

(19) any non-cash expenses, accruals or reserves related to adjustments to historical tax exposures; and

(20) earn-out and contingent consideration obligations (including to the extent accounted for as bonuses or otherwise) and adjustments thereof and purchase price adjustments.

In addition, to the extent not already included in the Consolidated Net Income of such Person and its Restricted Subsidiaries, Consolidated Net Income will include the amount of proceeds received or receivable from business interruption insurance, the amount of any expenses or charges incurred by such Person or its Restricted Subsidiaries during such period that are, directly or indirectly, reimbursed or reimbursable by a third party, and amounts that are covered by indemnification or other reimbursement provisions in connection with any acquisition, Investment or any sale, conveyance, transfer or other disposition of assets permitted under this Indenture.

Notwithstanding the foregoing, for the purpose of Section 4.07 only (other than Section 4.07(a)(iv)(C)(4)), there will be excluded from Consolidated Net Income any income arising from any sale or other disposition of Restricted Investments made by such Person and its Restricted Subsidiaries, any repurchases and redemptions of Restricted Investments from such Person and its Restricted Subsidiaries, any repayments of loans and advances which constitute Restricted Investments by such Person or any Restricted Subsidiary, any sale of the stock of an Unrestricted Subsidiary or any distribution or dividend from an Unrestricted Subsidiary, in each case only to the extent such amounts increase the amount of Restricted Payments permitted under Section 4.07(a)(iv)(C)(4).

"Consolidated Total Assets" means the total consolidated assets of the Issuer and its Restricted Subsidiaries, as shown on the most recent consolidated balance sheet of the Issuer and its Restricted Subsidiaries, determined with such *pro forma* adjustments as are appropriate and consistent with the *pro forma* adjustment provisions set forth in the definition of "Fixed Charge Coverage Ratio" or "Adjusted EBITDA".

"Consolidated Total Debt" means, as of any date of determination, the aggregate principal amount of Indebtedness of the Issuer and its Restricted Subsidiaries outstanding on such date, determined on a consolidated basis in accordance with GAAP, consisting only of Indebtedness for borrowed money, Capitalized Lease Obligations, debt obligations evidenced by bonds, notes, debentures, promissory notes or similar instruments and guarantees of Indebtedness of such types of a third Person; *provided*, Consolidated Total Debt will not includeNon-Recourse Indebtedness and Indebtedness in respect of any (i) letter of credit, except to the extent of obligations in respect of drawn standby letters of credit which have not been reimbursed

within three (3) Business Days and (ii) Hedging Obligations, except any unpaid termination payments thereunder. The U.S. dollar-equivalent principal amount of any Indebtedness denominated in a foreign currency will reflect the currency translation effects, determined in accordance with GAAP, of Hedging Obligations for currency exchange risks with respect to the applicable currency in effect on the date of determination of the U.S. dollar-equivalent principal amount of such Indebtedness.

"Contingent Obligations" means, with respect to any Person, any obligation of such Person guaranteeing any leases, dividends or other obligations that do not constitute Indebtedness ("primary obligations") of any other Person (the "primary obligor") in any manner, whether directly or indirectly, including any obligation of such Person, whether or not contingent:

(1) to purchase any such primary obligation or any property constituting direct or indirect security therefor;

(2) to advance or supply funds

(a) for the purchase or payment of any such primary obligation, or

(b) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or

(3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

"Controlled Investment Affiliate" means, as to any Person, any other Person, other than any Investor, which directly or indirectly is in control of, is controlled by, or is under common control with such Person and is organized by such Person (or any Person controlling such Person) primarily for making direct or indirect equity or debt investments in the Issuer and/or other companies.

"Convertible Indebtedness" means Indebtedness of the Issuer (which may be guaranteed by the Guarantors) permitted to be incurred under the terms of this Indenture that is either (a) convertible into common stock of the Issuer (and cash in lieu of fractional shares) and/or cash (in an amount determined by reference to the price of such common stock) or (b) sold as units with call options, warrants or rights to purchase (or substantially equivalent derivative transactions) that are exercisable for common stock of the Issuer and/or cash (in an amount determined by reference to the price of such common stock).

"Corporate Trust Office of the Trustee" shall be at the address of the Trustee specified in Section 13.02 hereof or such other address as to which the Trustee may give notice to the Holders and the Issuer.

"Credit Facilities" means, with respect to the Issuer or any Restricted Subsidiary, one or more debt facilities, including the Senior Credit Facilities or other financing arrangements (including commercial paper facilities or indentures) providing for revolving credit loans, term loans, note issuances, letters of credit or other long-term indebtedness, including any notes, mortgages, guarantees, collateral documents, instruments and other agreements executed in connection therewith, and any amendments, supplements, modifications, extensions, renewals, restatements or refundings thereof, in whole or in part, and any indentures or credit facilities or commercial paper facilities that replace, refund, supplement, extend, renew, restate, amend, modify or refinance any part of the loans, notes, other credit facilities or commitments thereunder, including any such exchanges, replacement, refunding, supplemental, extended, renewed, restated, amended, modified or refinancing facility, arrangement or indenture that increases the amount permitted to be borrowed or issued thereunder or alters the maturity thereof (*provided*, such increase in borrowings or issuances is permitted under Section 4.09) or adds Restricted Subsidiaries as additional borrowers or guarantors thereunder and whether by the same or any other agent, trustee, lender or group of lenders or holders.

"Custodian" means the Trustee, as custodian with respect to the Notes, each in global form, or any successor entity thereto.

"Debtor Relief Laws" means the Bankruptcy Code, and all other liquidation, conservatorship, examinership, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

"Default" means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

"Definitive Note" means a certificated Note registered in the name of the Holder thereof and issued in accordance with Section 2.06(c) hereof, substantially in the form of Exhibit A attached hereto, except that such Note shall not bear the Global Note Legend and shall not have the "Schedule of Exchanges of Interests in the Global Note" attached thereto.

"Depositary" means, with respect to the Notes issuable or issued in whole or in part in global form, any Person specified in Section 2.03 hereof as the Depositary with respect to the Notes, and any and all successors thereto appointed as Depositary hereunder and having become such pursuant to the applicable provision of this Indenture.

"Designated Non-cash Consideration" means the fair market value of non-cash consideration received by the Issuer or a Restricted Subsidiary in connection with an Asset Sale that is so designated as Designated Non-cash Consideration pursuant to an Officer's Certificate, setting forth the basis of such valuation, less the amount of cash or Cash Equivalents received in connection with a subsequent sale, redemption or repurchase of, or collection or payment on, such Designated Non-cash Consideration.

"Designated Preferred Stock" means Preferred Stock of the Issuer, any Restricted Subsidiary thereof or any Parent Company (in each case other than Disqualified Stock) that is issued for cash (other than to a Restricted Subsidiary or an employee stock ownership plan or trust established by the Issuer or any of its Subsidiaries) and is so designated as Designated Preferred Stock, pursuant to an Officer's Certificate on or promptly after the issuance date thereof, the cash proceeds of which are excluded from the calculation set forth in Section 4.07(a)(iv)(C) hereof.

"Designated Revolving Commitments" means any commitments to make loans or extend credit on a revolving basis to the Issuer or any Restricted Subsidiary by any Person other than the Issuer or any Restricted Subsidiary that have been designated in an Officer's Certificate delivered to the Trustee as "Designated Revolving Commitments" until such time as the Issuer subsequently delivers an Officer's Certificate to the Trustee to the effect that such commitments will no longer constitute "Designated Revolving Commitments"; *provided,* that, during such time, such Designated Revolving Commitments will be deemed an incurrence of Indebtedness on such date and will be deemed outstanding for purposes of calculating the Fixed Charge Coverage Ratio, Total Net Leverage Ratio, Senior Secured Net Leverage Ratio and the availability of any baskets hereunder.

"Disqualified Stock" means, with respect to any Person, any Capital Stock of such Person which, by its terms, or by the terms of any security into which it is convertible or for which it is redeemable or exchangeable, or upon the happening of any event, matures or is mandatorily redeemable (other than solely as a result of a change of control, asset sale, casualty, condemnation or eminent domain) pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof (other than for any Qualified Equity Interests or solely as a result of a change of control, asset sale, casualty, condemnation or eminent domain), in whole or in part, in each case prior to the date 91 days after the earlier of the maturity date of the Notes or the date the Notes are no longer outstanding; *provided*, that if such Capital Stock is issued pursuant to any plan for the benefit of future, current or former employees, directors, officers, members of management or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members or any permitted transferees thereof) of the Issuer or its Subsidiaries or any Parent Company or by any such plan to such employees, directors, officers, members of management or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members or any permitted transferees thereof), such Capital Stock will not constitute Disqualified Stock solely because it may be required to be repurchased by the Issuer or its Subsidiaries in order to satisfy applicable statutory or regulatory obligations or as a result of such employee's, director's, officer's, management member's or consultant's termination, death or disability; *provided, further*, any Capital Stock held by any future, current or former employee, director, officer, member of management or consultant (or their respective Controlled Investment Affiliates or Immediate Family Members or any permitted transferees thereof) of the Issuer, any of its Subsidiaries, any Parent Company or any other entity in which the Issuer or a Restricted Subsidiary has an Investment and is designated in good faith as an "Affiliate" by the Board of Directors (or the compensation committee thereof), in each case pursuant to any equity subscription or equity holders' agreement, management equity plan or stock option plan or any other management or employee benefit plan or agreement will not constitute Disqualified Stock solely because it may be required to be repurchased by the Issuer or its Subsidiaries or in order to satisfy applicable statutory or regulatory obligations or as a result of such employee's, director's, officer's, management member's or consultant's termination, death or disability. For the purposes hereof, the aggregate principal amount of Disqualified Stock will be deemed to be equal to the greater of its voluntary or involuntary liquidation preference and maximum fixed

repurchase price, determined on a consolidated basis in accordance with GAAP, and the "maximum fixed repurchase price" of any Disqualified Stock that does not have a fixed repurchase price will be calculated in accordance with the terms of such Disqualified Stock as if such Disqualified Stock were purchased on any date on which the Consolidated Total Debt will be required to be determined pursuant hereto, and if such price is based upon, or measured by, the fair market value of such Disqualified Stock.

"Domestic Subsidiary" means any direct or indirect Subsidiary that is organized under the laws of the United States, any state thereof or the District of Columbia.

"EMU Legislation" means the legislative measures of the European Council for the introduction of, changeover to or operation of a single or unified European currency.

"Equity Interests" means Capital Stock and all warrants, options or other rights to acquire Capital Stock, but excluding any debt security that is convertible into, or exchangeable for, Capital Stock.

"Equity Offering" means any public or private sale of common stock or Preferred Stock of the Issuer or any Parent Company (excluding Disqualified Stock), other than:

(1) public offerings with respect to the Issuer's or any Parent Company's common stock registered on Form S-4 or Form S-8;

(2) issuances to any Restricted Subsidiary of the Issuer; and

(3) any such public or private sale that constitutes an Excluded Contribution.

"Euroclear" means Euroclear Bank S.A./N.V., as operator of the Euroclear system, and its successors.

"Euros" means the lawful currency of the Participating Member States introduced in accordance with the EMU Legislation.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder.

"Excluded Contribution" means net cash proceeds, the fair market value of marketable securities or the fair market value of Qualified Proceeds received by the Issuer from

(1) contributions to its common equity capital; and

(2) dividends, distributions, fees and other payments from any joint ventures that are not Restricted Subsidiaries; and

(3) the sale (other than to a Restricted Subsidiary of the Issuer or to any management equity plan or stock option plan or any other management or employee benefit plan or agreement of the Issuer) of Capital Stock (other than Disqualified Stock and Designated Preferred Stock) of the Issuer;

in each case, designated as Excluded Contributions pursuant to an Officer's Certificate or that are excluded from the calculation set forth in Section 4.07(a)(iv)(C).

"Excluded Proceeds" means with respect to any Asset Sale:

(1) 0% of the Net Proceeds from such Asset Sale if after giving *pro forma* effect thereto and applications of the Net Proceeds thereof, the Senior Secured Net Leverage Ratio of the Issuer is greater than 2.50:1.00;

(2) 50% of the Net Proceeds from such Asset Sale, if after giving *pro forma* effect thereto and the application of the Net Proceeds thereof, the Senior Secured Net Leverage Ratio of the Issuer is greater than 2.00:1.00, but equal to or less than 2.50:1.00; and

(3) 100% of the Net Proceeds from such Asset Sale, if after giving *pro forma* effect thereto and the application of the Net Proceeds thereof, the Senior Secured Net Leverage Ratio of the Issuer is less than or equal to 2.00:1.00.

"Excluded Subsidiary" means (1) any Subsidiary that is not a Wholly-Owned Subsidiary of the Issuer or a Guarantor, (2) any Foreign Subsidiary, (3) any Domestic Subsidiary that is a CFC Holdco or a Subsidiary of (i) a Foreign Subsidiary, (ii) a CFC or (iii) a CFC Holdco, (4) any Subsidiary, including any regulated entity that is subject to net worth or net capital or similar capital and surplus restrictions, that is prohibited or restricted by applicable law, accounting policies or by contractual obligation existing on the Issue Date (or, with respect to any Subsidiary acquired by the Issuer or a Restricted Subsidiary after the Issue Date (and so long as such contractual obligation was not incurred in contemplation of such acquisition), on the date such Subsidiary is so acquired) from providing a Guarantee, or if such Guarantee would require governmental (including regulatory) or third party consent, approval, license or authorization, (5) any special purpose securitization vehicle (or similar entity), including any Securitization Subsidiary, (6) any Captive Insurance Subsidiary, (7) any not-for-profit Subsidiary, (8) any Subsidiary that is not a Material Subsidiary, (9) any other Subsidiary with respect to which, in the reasonable judgment of the Issuer, the burden or cost (including any adverse tax consequences) of providing the Guarantee will outweigh the benefits to be obtained by the Holders therefrom, (10) any Securitization Subsidiary, (11) each Unrestricted Subsidiary and (12) any special purpose entity formed for the primary purpose to hold a leasehold interest in real property that is subject to a Sale and Lease-Back Transaction, including Healthy Way of Life I, LLC, Healthy Way of Life II, LLC, Healthy Way of Life III, LLC and any successors or assigns thereof, and any such special purpose tenant entities formed in connection with any Sale and Lease-Back Transaction; *provided*, that any such Subsidiary that is an Excluded Subsidiary pursuant to clause (8) or (9) above will cease to be an Excluded Subsidiary at any time such Subsidiary guarantees Indebtedness under a Credit Facility or Capital Markets Indebtedness of the Issuer or any other Guarantor.

"Exempted Indebtedness" means, as of any particular time, all then outstanding Indebtedness of the Issuer and Principal Property Subsidiaries incurred on and after June 10, 2015 and secured by any mortgage, security interest, pledge or Lien other than those permitted pursuant to Section 4.12(b).

"Existing Mortgage Debt" means (i) the Loan Agreement dated as of January 28, 2014 between LTF Real Estate CMBS II, LLC and Wells Fargo Bank, National Association, (ii) the Promissory Note, dated as of February 12, 2013 between LTF Real Estate MP I, LLC and ING Life Insurance and Annuity Company, (iii) the Promissory Note, dated as of August 23, 2013 between LTF Real Estate MP II, LLC and ING Life Insurance and Annuity Company, and (iv) the Promissory Note, dated as of July 29, 2014 between LTF Real Estate MP III, LLC and ING Life Insurance and Annuity Company.

"Existing Secured Notes" means the $925 million aggregate principal amount of 5.750% Senior Secured Notes due 2026 initially issued by the Issuer pursuant to the Existing Secured Notes Indenture.

"Existing Secured Notes Indenture" means the Indenture, dated January 22, 2021, among the Issuer, Wilmington Savings Fund Society, FSB, as trustee and collateral agent, and certain other parties party thereto governing the Existing Secured Notes, as amended or supplemented from time to time.

"Existing Unrestricted Subsidiaries" means LT Co-Borrower Holdco, LLC and LT Co-Borrower, LLC.

"Existing Unsecured Notes" means the $450 million aggregate principal amount of 8.500% Senior Notes due 2023 initially issued by the Issuer pursuant to the Existing Unsecured Notes Indenture.

"Existing Unsecured Notes Indenture" means that certain Indenture, dated June 10, 2015, among the Issuer, Wilmington Savings Fund Society, FSB, as trustee, and certain other parties party thereto governing the Existing Unsecured Notes, as supplemented by that certain Supplemental Indenture dated June 10, 2015, as further amended or supplemented from time to time.

"fair market value" means, with respect to any asset or liability, the fair market value of such asset or liability as determined by the Issuer in good faith.

"Financial Officer" means, with respect to a Person, the chief financial officer, accounting officer, treasurer, controller or other senior financial or accounting officer of such Person, as appropriate.

"Fitch" means Fitch Ratings, Inc., and any successor to its rating agency business.

"Fixed Charge Coverage Ratio" means, with respect to any Test Period, the ratio of(1) Run-Rate Adjusted EBITDA of the Issuer for such Test Period to (2) the Fixed Charges of the Issuer for such Test Period. In the event that the Issuer or any Restricted Subsidiary incurs, assumes, guarantees, redeems, repays, retires or extinguishes any Indebtedness (other than Indebtedness incurred or repaid under any revolving credit facility or line of credit unless such Indebtedness has been permanently repaid and not replaced) or issues, repurchases or redeems Disqualified Stock or Preferred Stock or establishes or eliminates any Designated Revolving Commitments, in each case, subsequent to the commencement of the period for which the Fixed

Charge Coverage Ratio is being calculated but prior to or simultaneously with the event for which the calculation of the Fixed Charge Coverage Ratio is made (the "Fixed Charge Coverage Ratio Calculation Date"), then the Fixed Charge Coverage Ratio will be calculated giving *pro forma* effect to such incurrence, assumption, guarantee, redemption, repayment, retirement or extinguishment of Indebtedness or such issuance, repurchase or redemption of Disqualified Stock or Preferred Stock or establishment or elimination of any Designated Revolving Commitments, as if the same had occurred at the beginning of the most recently ended Test Period (and (i) for the purposes of the numerator of the Total Net Leverage Ratio and the Senior Secured Net Leverage Ratio, as if the same had occurred on the last day of the most recently ended Test Period and (ii) for all purposes, as if Indebtedness in the full amount of any undrawn Designated Revolving Commitments had been incurred thereunder throughout such period); *provided*, *however*, that at the election of the Issuer, the *pro forma* calculation will not give effect to any Indebtedness incurred on such determination date pursuant to Section 4.09(b).

For purposes of making the computation referred to above, any Specified Transaction that has been made by the Issuer or any Restricted Subsidiary during any Test Period or subsequent to such Test Period and on or prior to or simultaneously with the Fixed Charge Coverage Ratio Calculation Date will be calculated on a *pro forma* basis assuming that all such Specified Transactions (and the change in any associated fixed charge obligations and the change in Run-Rate Adjusted EBITDA resulting therefrom) had occurred on the first day of the Test Period. If since the beginning of such Test Period any Person that subsequently became a Restricted Subsidiary or was merged, amalgamated or consolidated with or into the Issuer or any Restricted Subsidiary since the beginning of such Test Period will have made any Specified Transaction that would have required adjustment pursuant to this definition, then the Fixed Charge Coverage Ratio will be calculated giving *pro forma* effect thereto for such Test Period as if such Specified Transaction had occurred at the beginning of the most recently ended Test Period.

For purposes of this definition, whenever *pro forma* effect is to be given to any Specified Transaction (including the Transactions and the Refinancing Transactions), the *pro forma* calculations will be made in good faith by a Financial Officer of the Issuer and may include, for the avoidance of doubt, the amount of "run-rate" cost savings, synergies and operating expense reductions resulting from or related to any such Specified Transaction (including the Transactions) which is being given *pro forma* effect that have been realized or are expected to be realized and for which the actions necessary to realize such cost savings, operating expense reductions and synergies are taken, committed to be taken or with respect to which substantial steps have been taken or are expected to be taken no later than 24 months after the date of any such Specified Transaction (in each case as though such cost savings, operating expense reductions and synergies had been realized on the first day of the applicable period and as if such cost savings, operating expense reductions and synergies were realized for the entirety of such period). For the purposes of this Indenture, "run-rate" means the full recurring benefit for a period that is associated with any action taken, committed to be taken, or with respect to which substantial steps have been taken or are expected to be taken (including any savings expected to result from the elimination of a public target's compliance costs with public company requirements), net of the amount of actual benefits realized during such period from such actions.

If any Indebtedness bears a floating rate of interest and is being given*pro forma* effect, the interest on such Indebtedness will be calculated as if the rate in effect on the Fixed Charge Coverage Ratio Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligations applicable to such Indebtedness). Interest on a Capitalized Lease Obligation will be deemed to accrue at an interest rate reasonably determined by a Financial Officer of the Issuer to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP. Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rate, will be deemed to have been based upon the rate actually chosen, or, if none, then based upon such optional rate chosen as the Issuer may designate. For purposes of this definition, any amount in a currency other than U.S. dollars will be converted to U.S. dollars based on the average exchange rate for such currency for the most recent twelve month period immediately prior to the date of determination in a manner consistent with that used in calculating Run-Rate Adjusted EBITDA for the applicable Test Period.

"Fixed Charges" means, with respect to any Person for any period, the sum of, without duplication:

(1) Consolidated Interest Expense of such Person for such period;

(2) all cash dividends or other cash distributions paid (excluding items eliminated in consolidation) on any series of Preferred Stock during such period; and

(3) all cash dividends or other cash distributions paid (excluding items eliminated in consolidation) on any series of Disqualified Stock during such period.

"Foreign Subsidiary" means any direct or indirect Restricted Subsidiary of the Issuer that is not a Domestic Subsidiary.

"GAAP" means generally accepted accounting principles in the United States of America set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession, which are in effect from time to time. At any time after the Issue Date, (i) the Issuer may elect to fix GAAP with respect to any (or all) GAAP term(s) as of a specified date (the "New GAAP Date") and (ii) the Issuer may elect to apply IFRS accounting principles in lieu of GAAP and, upon any such election, references herein to GAAP will thereafter be construed to mean IFRS (except as otherwise provided in this Indenture); *provided*, any calculation or determination in this Indenture that requires the application of GAAP for periods that include fiscal quarters ended prior to the Issuer's election to apply GAAP as of the New GAAP Date or IFRS will remain as previously calculated or determined in accordance with GAAP before such election. The Issuer will give notice of any such election made in accordance with this definition to the Trustee and shall specify the date for when the Issuer's election will take effect and such election will apply for all periods beginning on and after the date specified in such notice given to the Trustee, and in the event the Issuer makes an election pursuant to clause (i) of the second sentence of this definition, specifying which GAAP term(s) such election applies to. For the avoidance of doubt, the Issuer

may elect to apply a New GAAP Date to one or more GAAP term(s), apply GAAP in effect from time to time to one or more GAAP terms(s), keep GAAP in effect from time to time with respect to one or more GAAP term(s) or apply IFRS. Notwithstanding any other provision contained herein, the amount of any Indebtedness under GAAP with respect to Capitalized Lease Obligations and Attributable Indebtedness shall be determined in accordance with the definition of Capitalized Lease Obligations and Attributable Indebtedness, respectively.

"Global Note Legend" means the legend set forth in Section 2.06(g)(ii) hereof, which is required to be placed on all Global Notes issued under this Indenture.

"Global Notes" means, individually and collectively, each of the Restricted Global Notes and the Unrestricted Global Notes, substantially in the form of Exhibit A attached hereto, issued in accordance with Section 2.01, 2.06(b), 2.06(d) or 2.06(f) hereof.

"Government Securities" means securities that are:

(1) direct obligations of the United States of America for the timely payment of which its full faith and credit is pledged; or

(2) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the timely payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America,

that, in either case, are not callable or redeemable at the option of the issuers thereof, and will also include a depository receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act), as custodian with respect to any such Government Securities or a specific payment of principal of or interest on any such Government Securities held by such custodian for the account of the holder of such depository receipt; *provided*, (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the Government Securities or the specific payment of principal of or interest on the Government Securities evidenced by such depository receipt.

"Governmental Authority" means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"guarantee" means a guarantee (other than by endorsement of negotiable instruments for collection in the ordinary course of business or consistent with industry practice), direct or indirect, in any manner (including letters of credit and reimbursement agreements in respect thereof), of all or any part of any Indebtedness or other obligations.

"Guarantee" means the guarantee by any Guarantor of the Issuer's Obligations under this Indenture and the Notes.

"Guarantor" means, collectively, the Subsidiary Guarantors and any Parent Company that Guarantees the Notes in accordance with the terms of this Indenture; *provided* that upon the release or discharge of such Person from its Guarantee in accordance with this Indenture, such Person ceases to be a Guarantor.

"Hedging Obligations" means, with respect to any Person, the obligations of such Person under any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, commodity swap agreement, commodity cap agreement, commodity collar agreement, foreign exchange contract, currency swap agreement or similar agreement providing for the transfer, modification or mitigation of interest rate, currency, commodity risks or equity risks either generally or under specific contingencies. For the avoidance of doubt, any Permitted Convertible Indebtedness Call Transaction will not constitute Hedging Obligations.

"Holder" means the Person in whose name a Note is registered on the Registrar's books.

"Holdings" means LTF Intermediate Holdings, Inc.

"IFRS" means the international financial reporting standards and interpretations issued by the International Accounting Standards Board or any successor thereto (or the Financial Accounting Standards Board, the Accounting Principles Board of the American Institute of Certified Public Accountants or any successor to either such Board, or the SEC, as the case may be), as in effect from time to time.

"IAI" means an institutional "accredited investor" as described in Rule 501(a)(1), (2), (3) or (7) under the Securities Act.

"IAI Global Note" means a Global Note substantially in the form ofExhibit A attached hereto, bearing the Global Note Legend and the Private Placement Legend, numbered IAI-1 and deposited with or on behalf of, and registered in the name of, the Depositary or its nominee.

"Immediate Family Members" means with respect to any individual, such individual's child, stepchild, grandchild or more remote descendant, parent, stepparent, grandparent, spouse, former spouse, qualified domestic partner, sibling, mother-in-law, father-in-law, son-in-law and daughter-in-law (including, in each case, adoptive relationships) and any trust, partnership or other bona fide estate-planning vehicle the only beneficiaries of which are any of the foregoing individuals or any private foundation or fund that is controlled by any of the foregoing individuals or any donor-advised fund of which any such individual is the donor.

"Indebtedness" means, with respect to any Person, without duplication:

(1) any indebtedness (including principal and premium) of such Person, whether or not contingent:

(a) in respect of borrowed money;

(b) evidenced by bonds, notes, debentures or similar instruments or drawn letters of credit or bankers' acceptances (or, without duplication, reimbursement agreements in respect thereof);

(c) representing the balance deferred and unpaid of the purchase price of any property (including Capitalized Lease Obligations) due more than twelve months after such property is acquired, except (i) any such balance that constitutes an obligation in respect of a commercial letter of credit, a trade payable or similar obligation to a trade creditor, in each case accrued in the ordinary course of business or consistent with industry practice, (ii) any earn-out obligations until such obligation is reflected as a liability on the balance sheet (excluding any footnotes thereto) of such Person in accordance with GAAP and is not paid within 60 days after becoming due and payable and (iii) accruals for payroll and other liabilities accrued in the ordinary course of business; or

(d) representing the net obligations under any Hedging Obligations;

if and to the extent that any of the foregoing Indebtedness (other than Swap Contracts) would appear as a liability upon a balance sheet (excluding the footnotes thereto) of such Person prepared in accordance with GAAP; *provided*, Indebtedness of any Parent Company appearing upon the balance sheet of the Issuer solely by reason of push-down accounting under GAAP will be excluded;

(2) to the extent not otherwise included, any obligation by such Person to be liable for, or to pay, as obligor, guarantor or otherwise, on the obligations of the type referred to in clause (1) of a third Person (whether or not such items would appear upon the balance sheet of such obligor or guarantor), other than by endorsement of negotiable instruments for collection in the ordinary course of business or consistent with industry practice; and

(3) to the extent not otherwise included, the obligations of the type referred to in clause (1) of a third Person secured by a Lien on any asset owned by such first Person, whether or not such Indebtedness is assumed by such first Person; *provided*, the amount of such Indebtedness will be the lesser of (i) the fair market value of such asset at such date of determination and (ii) the amount of such Indebtedness of such other Person;

provided, notwithstanding the foregoing, Indebtedness will be deemed not to include (a) Contingent Obligations incurred in the ordinary course of business or consistent with industry practice, (b) undrawn letters of credit, other undrawn amounts under letters of credit or reimbursement obligations under commercial letters of credit (*provided*, unreimbursed amounts under letters of credit will be counted as Indebtedness three (3) Business Days after such amount is drawn), (c) obligations under or in respect of Qualified Securitization Facilities, (d) accrued expenses, trade payable or similar obligation to a trade creditor, (e) deferred or prepaid revenues, (f) asset retirement obligations and obligations in respect of reclamation and workers compensation (including pensions and retiree medical care), (g) any lease, concession or license of property (or guarantee thereof) that would be considered an operating or financing lease under GAAP as in effect on January 22, 2021, (h) any prepayments of deposits received from clients or

customers in the ordinary course of business or consistent with past practices, or obligations under any license, permit or other approval (or guarantees given in respect of such obligations) incurred prior to the Issue Date or in the ordinary course of business or consistent with past practices, (i) intercompany liabilities that would be eliminated on the consolidated balance sheet of the Issuer and its consolidated Subsidiaries, (j) Cash Management Services, (k) in connection with the purchase by the Issuer or any Restricted Subsidiary of any business, any post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing; provided, however, that, at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid in a timely manner, (l) obligations, to the extent such obligations would otherwise constitute Indebtedness, under any agreement that has been defeased or satisfied and discharged pursuant to the terms of such agreement, (m) any obligations in respect of workers' compensation claims, early retirement or termination obligations, deferred compensatory or employee or director equity plans, pension fund obligations or contributions or similar claims, obligations or contributions or social security or wage taxes, (n) Capital Stock (other than Disqualified Stock and Preferred Stock), (o) indebtedness that constitutes "Indebtedness" merely by virtue of a pledge of an Investment in an Unrestricted Subsidiary, or (p) Indebtedness (and any Liens on the related escrow accounts) incurred by the Issuer or its Restricted Subsidiaries in connection with the issuance of such Indebtedness into (and pending the release from) a customary escrow arrangement of any Indebtedness incurred; *provided further*, Indebtedness will be calculated without giving effect to the effects of Accounting Standards Codification Topic No. 815, *Derivatives and Hedging*, and related interpretations to the extent such effects would otherwise increase or decrease an amount of Indebtedness for any purpose under this Indenture as a result of accounting for any embedded derivatives created by the terms of such Indebtedness.

"Indenture" means this Indenture, as amended, supplemented or otherwise modified from time to time.

"Independent Assets and Operations" means, with respect to any Parent Company, that Parent Company's total assets, revenues, income from continuing operations before income taxes and cash flows from operating activities (excluding in each case amounts related to its investment in the Issuer and the Restricted Subsidiaries), determined in accordance with GAAP and as shown on the most recent balance sheet of such Parent Company, is more than 3.6% of such Parent Company's corresponding consolidated amount.

"Independent Financial Advisor" means an accounting, appraisal, investment banking firm or consultant of nationally recognized standing that is, in the good faith judgment of the Issuer, qualified to perform the task for which it has been engaged.

"Indirect Participant" means a Person who holds a beneficial interest in a Global Note through a Participant.

"Initial Purchasers" means Deutsche Bank Securities Inc., BMO Capital Markets Corp., BofA Securities, Inc., Goldman Sachs & Co. LLC, J.P. Morgan Securities LLC, Macquarie Capital (USA) Inc., Mizuho Securities USA LLC, Morgan Stanley & Co. LLC, Nomura Securities International, Inc., RBC Capital Markets, LLC, TPG Capital BD, LLC, U.S. Bancorp Investments, Inc. and Wells Fargo Securities, LLC.

"Interest Payment Date" means April 15 and October 15 of each year to stated maturity, beginning October 15, 2021.

"Investment Grade Rating" means a rating equal to or higher than Baa3 (or the equivalent) by Moody's or BBB- (or the equivalent) by S&P, or an equivalent rating from any other Rating Agency selected by the Issuer.

"Investment Grade Securities" means:

(1) securities issued or directly and fully guaranteed or insured by the United States government or any agency or instrumentality thereof (other than Cash Equivalents);

(2) debt securities or debt instruments with an Investment Grade Rating, but excluding any debt securities or debt instruments constituting loans or advances among the Issuer and its Subsidiaries;

(3) investments in any fund that invests at least 95% of its assets in investments of the type described in clauses (1) and (2) which fund may also hold immaterial amounts of cash pending investment or distribution; and

(4) corresponding instruments in countries other than the United States customarily utilized for high quality investments.

"Investments" means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of loans (including guarantees), advances or capital contributions (excluding accounts receivable, credit card and debit card receivables, trade credit, advances to customers, commission, travel and similar advances to employees, directors, officers, members of management, manufacturers and consultants, in each case made in the ordinary course of business or consistent with industry practice), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities issued by any other Person. For purposes of the definition of "Unrestricted Subsidiary" and Section 4.07:

(1) "Investments" will include the portion (proportionate to the Issuer's Equity Interest in such Subsidiary) of the fair market value of the net assets of a Subsidiary of the Issuer at the time that such Subsidiary is designated an Unrestricted Subsidiary; *provided*, upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Issuer will be deemed to continue to have a permanent "Investment" in an Unrestricted Subsidiary in an amount (if positive) equal to:

(a) the Issuer's "Investment" in such Subsidiary at the time of such redesignation;*minus*

(b) the portion (proportionate to the Issuer's Equity Interest in such Subsidiary) of the fair market value of the net assets of such Subsidiary at the time of such redesignation; and

(2) any property transferred to or from an Unrestricted Subsidiary will be valued at its fair market value at the time of such transfer.

The amount of any Investment outstanding at any time will be the original cost of such Investment, reduced by any dividend, distribution, interest payment, return of capital, repayment or other amount received in cash by the Issuer or a Restricted Subsidiary in respect of such Investment.

"Investor" means any of (i) Leonard Green & Partners, L.P. ("LGP"), (ii) TPG Capital, L.P. ("TPG"), (iii) LNK Partners, LLC, (iv) MSD Capital, L.P., (v) LifeCo LLC, (vi) Partners Group (USA) Inc. and any of their respective Affiliates and funds or partnerships managed or advised by any of them or any of their respective Affiliates but not including, however, any portfolio company of any of the foregoing.

"Issue Date" means the date of original issuance of the Notes under this Indenture.

"Issuer" means Life Time, Inc. and its successors.

"Issuer's Order" means a written request or order signed on behalf of the Issuer by an Officer, who must be the principal executive officer, the principal financial officer, the treasurer or the principal accounting officer of the Issuer, and delivered to the Trustee.

"Joint Venture Investments" means Investments in any joint venture in an aggregate amount not to exceed the greater of $120.0 million and (b) 30% of Run-Rate Adjusted EBITDA as of the applicable date of determination.

"Legal Holiday" means a Saturday, a Sunday or a day on which commercial banking institutions are not required to be open in the State of New York or at the place of payment.

"Lien" means, with respect to any asset, any mortgage, lien (statutory or otherwise), pledge, hypothecation, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction; *provided*, in no event will an operating lease be deemed to constitute a Lien.

"Management Services Agreement" means the management services agreement or similar agreements among one or more of the Investors or certain of their respective management companies associated with it or their advisors, if applicable, and the Issuer (and/or any Parent Company).

"Management Stockholders" means the members of management (and their Controlled Investment Affiliates and Immediate Family Members and any permitted transferees thereof) of the Issuer (or a Parent Company) who are holders of Equity Interests of any Parent Company on the Issue Date or from time to time.

"Market Capitalization" means an amount equal to (i) the total number of issued and outstanding shares of common Equity Interests of the Issuer or the applicable Parent Company, as applicable, on the date of the declaration of a Restricted Payment permitted Section 4.07(b)(viii) multiplied by (ii) the arithmetic mean of the closing prices per share of such common Equity Interests on the principal securities exchange on which such common Equity Interests are traded for the 30 consecutive trading days immediately preceding the date of declaration of such Restricted Payment.

"Material Domestic Subsidiary" means, as of the Issue Date and thereafter at any date of determination, each of the Issuer's Domestic Subsidiaries that is a Restricted Subsidiary (a) whose Consolidated Total Assets at the last day of the most recent Test Period (when taken together with the Consolidated Total Assets of the Restricted Subsidiaries of such Domestic Subsidiary at the last day of the most recent Test Period) were equal to or greater than 5.0% of Consolidated Total Assets of the Issuer and the Restricted Subsidiaries that are Domestic Subsidiaries at such date or (b) whose gross revenues for such Test Period (when taken together with the gross revenues of the Restricted Subsidiaries of such Domestic Subsidiary for such Test Period) were equal to or greater than 5.0% of the consolidated gross revenues of the Issuer and the Restricted Subsidiaries that are Domestic Subsidiaries for such Test Period, in each case determined in accordance with GAAP; *provided* that if at any time and from time to time after the date which is 30 days after the Issue Date (or such longer period as the Bank Administrative Agent may agree in its sole discretion), Domestic Subsidiaries that are not Guarantors solely because they do not meet the thresholds set forth in the preceding clause (a) or (b) comprise in the aggregate more than (when taken together with the Consolidated Total Assets of the Restricted Subsidiaries of such Domestic Subsidiaries at the last day of the most recent Test Period) 7.5% of Consolidated Total Assets of the Issuer and the Restricted Subsidiaries that are Domestic Subsidiaries as of the end of the most recently ended Test Period or more than (when taken together with the gross revenues of the Restricted Subsidiaries of such Domestic Subsidiaries for such Test Period) 7.5% of the consolidated gross revenues of the Issuer and the Restricted Subsidiaries that are Domestic Subsidiaries for such Test Period, then the Issuer shall, not later than sixty (60) days after the date by which financial statements for such Test Period were required to be delivered pursuant to this Indenture (or such longer period as the Bank Administrative Agent may agree in its reasonable discretion), (i) designate in writing to the Trustee one or more of such Domestic Subsidiaries that are Restricted Subsidiaries as "Material Domestic Subsidiaries" to the extent required such that the foregoing condition ceases to be true and (ii) comply with the provisions of Section 4.15 with respect to any such Subsidiaries. At all times prior to the delivery of the aforementioned financial statements, such determinations shall be made based on internally available financial statements.

"Material Foreign Subsidiary" means, as of the Issue Date and thereafter at any date of determination, each of the Issuer's Foreign Subsidiaries that are Restricted Subsidiaries (a) whose Consolidated Total Assets at the last day of the most recent Test Period (when taken together with the Consolidated Total Assets of the Restricted Subsidiaries of such Foreign Subsidiary at the last day of the most recent Test Period) were equal to or greater than 5.0% of Consolidated Total Assets of the Restricted Subsidiaries that are Foreign Subsidiaries at such date or (b) whose gross revenues for such Test Period (when taken together with the revenues of the Restricted Subsidiaries of such Foreign Subsidiary for such Test Period) were equal to or greater than 5.0% of the consolidated gross revenues of the Restricted Subsidiaries that are Foreign Subsidiaries for such Test Period, in each case determined in accordance with GAAP; *provided* that if at any time and from time to time after the date which is 30 days after the Issue Date (or such longer period as the Bank Administrative Agent may agree in its sole discretion), Foreign Subsidiaries that are not Material Foreign Subsidiaries comprise in the aggregate more than (when taken together with the Consolidated Total Assets of the Restricted Subsidiaries of such Foreign Subsidiaries at the last day of the most recent Test Period) 7.5% of Consolidated Total Assets of the Restricted Subsidiaries that are Foreign Subsidiaries as of the end of the most recently ended Test Period or more than (when taken together with the gross revenues of the Restricted Subsidiaries of such Foreign Subsidiaries for such Test Period) 7.5% of the consolidated gross revenues of the Restricted Subsidiaries that are Foreign Subsidiaries for such Test Period, then the Issuer shall, not later than sixty (60) days after the date by which financial statements for such Test Period were required to be delivered pursuant to this Indenture (or such longer period as the Bank Administrative Agent may agree in its reasonable discretion), designate in writing to the Trustee one or more of such Foreign Subsidiaries that are Restricted Subsidiaries as "Material Foreign Subsidiaries" to the extent required such that the foregoing condition ceases to be true. At all times prior to the delivery of the aforementioned financial statements, such determinations shall be made based on internally available financial statements.

"Material Real Property" means (i) any fee-owned real property located in the United States and owned by the Issuer or any Guarantor which is mortgaged under the Senior Credit Facilities as of the Issue Date and (ii) any fee-owned real property located in the United States and subsequently acquired by the Issuer or any Guarantor (or owned by an acquired or newly created Guarantor, if applicable) after the Issue Date with a fair market value in excess of $7.5 million at the time of acquisition (if acquired by the Issuer or any Guarantor after the Issue Date) and which is improved with a facility owned by the Issuer or any Guarantor that is open for commercial operations.

"Material Subsidiary" means any Material Domestic Subsidiary or any Material Foreign Subsidiary.

"Moody's" means Moody's Investors Service, Inc. and any successor to its rating agency business.

"Net Income" means, with respect to any Person, the net income (loss) of such Person, determined in accordance with GAAP and before any reduction in respect of Preferred Stock dividends.

"Net Proceeds" means the aggregate Cash Equivalent proceeds received by the Issuer or any Restricted Subsidiary in respect of any Asset Sale, including any Cash Equivalents received upon the sale or other disposition of any Designated Non-cash Consideration received in any Asset Sale, net of the costs relating to such Asset Sale and the sale or disposition of such Designated Non-cash Consideration, including legal, accounting and investment banking fees, payments made in order to obtain a necessary consent or required by applicable law, brokerage and sales commissions, all dividends, distributions or other payments required to be made to minority interest holders in Restricted Subsidiaries as a result of any such Asset Sale by a Restricted Subsidiary, the amount of any purchase price or similar adjustment claimed by any Person to be owed by the Issuer or any Restricted Subsidiary, until such time as such claim will have been settled or otherwise finally resolved, or paid or payable by the Issuer or any Restricted Subsidiary, in either case in respect of such Asset Sale, any relocation expenses incurred as a result thereof, costs and expenses in connection with unwinding any Hedging Obligation in connection therewith, other fees and expenses, including title and recordation expenses, taxes paid or payable as a result thereof or any transactions occurring or deemed to occur to effectuate a payment under this Indenture, amounts required to be applied to the repayment of principal, premium, if any, and interest on Indebtedness (other than Subordinated Indebtedness) or amounts required to be applied to the repayments of Indebtedness secured by a Lien on such assets and required (other than required by Section 4.10(c)(i)) to be paid as a result of such transaction and any deduction of appropriate amounts to be provided by the Issuer or any Restricted Subsidiary as a reserve in accordance with GAAP against any liabilities associated with the asset disposed of in such transaction and retained by the Issuer or any Restricted Subsidiary after such sale or other disposition thereof, including pension and other post-employment benefit liabilities and liabilities related to environmental matters or against any indemnification obligations associated with such transaction; *provided* that (a) subject to clause (b) below, no net cash proceeds calculated in accordance with the foregoing realized in a single transaction or series of related transactions shall constitute Net Proceeds unless such net cash proceeds shall exceed $10.0 million and (b) no such net cash proceeds shall constitute Net Proceeds under this definition in any fiscal year until the aggregate amount of all such net cash proceeds in such fiscal year shall exceed $20.0 million (and thereafter only net cash proceeds in excess of such amount shall constitute Net Proceeds under this definition); *provided further* that "Net Proceeds" shall not include, or apply to, the proceeds of the sale component of any Sale-Lease Back Transaction.

"New Facility" means each new fitness center, club, work or exercise facility opened by the Issuer or a Restricted Subsidiary that has been open for commercial operations for less than two full calendar years.

"New Facility EBITDA Adjustment" means for each New Facility, only to the extent it is a positive number

(1) the product of (a) Average Return on Invested Capital and (b) to the extent it is a positive number the aggregate amount of capital expenditures invested in such New Facility as of the facility opening date, less the net cash proceeds received for such New Facility from any Sale and Lease-Back Transaction prior to or on such determination date, *minus*

(2) the actual Adjusted EBITDA of such New Facility for such period.

"Non-Recourse Indebtedness" means Indebtedness that is non-recourse to the Issuer and the Restricted Subsidiaries.

"Non-U.S. Person" means a Person who is not a U.S. Person.

"Notes" has the meaning assigned to it in the recitals to this Indenture. The Initial Notes and the Additional Notes shall be treated as a single class for all purposes under this Indenture, and unless the context otherwise requires, all references to the Notes shall include the Initial Notes and any Additional Notes.

"Obligations" means any principal, interest (including any interest accruing on or subsequent to the filing of a petition in bankruptcy, reorganization or similar proceeding at the rate provided for in the documentation with respect thereto, whether or not such interest is an allowed claim under applicable state, federal or foreign law), premium, penalties, fees, indemnifications, reimbursements (including reimbursement obligations with respect to letters of credit and banker's acceptances), damages and other liabilities, and guarantees of payment of such principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities, payable under the documentation governing any Indebtedness.

"Offering Memorandum" means the confidential offering memorandum, dated January 28, 2021, relating to the sale of the Initial Notes.

"Officer" means the Chairman of the Board of Directors, the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer, the President, any Executive Vice President, Senior Vice President or Vice President, the Treasurer or the Secretary of any Person. Unless otherwise indicated, Officer shall refer to an Officer of the Issuer.

"Officer's Certificate" means a certificate signed on behalf of a Person by an Officer of such Person that meets the requirements set forth in this Indenture and provided to the Trustee. Unless otherwise indicated, Officer shall refer to an Officer of the Issuer.

"Opinion of Counsel" means a written opinion from legal counsel which is acceptable to the Trustee. Counsel may be an employee of or counsel to the Issuer.

"ordinary course of business" means activity conducted in the ordinary course of business of the Issuer and any Restricted Subsidiary, including without limitation the expansion, remodeling, acquisition, modernization, construction, improvement and repair of facilities (including fitness centers) operated, or expected to be operated, by the Issuer or a Restricted Subsidiary, and financing transactions in connection therewith (including Sale and Lease-Back Transactions).

"Organizational Documents" means

(i) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction);

(ii) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction); and

(iii) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction).

"Parent Company" means any Person so long as such Person directly or indirectly holds 100.0% of the total voting power of the Capital Stock of the Issuer, and at the time such Person acquired such voting power, no Person and no group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act or any successor provision), including any such group acting for the purpose of acquiring, holding or disposing of securities (within the meaning of Rule 13d-5(b)(1) under the Exchange Act) (other than any Permitted Holder), will have beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act, or any successor provision), directly or indirectly, of 50.0% or more of the total voting power of the Voting Stock of such Person.

"Participant" means, with respect to the Depositary, a Person who has an account with the Depositary (and, with respect to DTC, shall include Euroclear and Clearstream).

"Participating Member State" means each state so described in any EMU Legislation.

"Permitted Asset Swap" means the substantially concurrent purchase and sale or exchange of Related Business Assets or a combination of Related Business Assets and cash or Cash Equivalents between the Issuer or any Restricted Subsidiary and another Person; *provided*, any cash or Cash Equivalents received must be applied in accordance with Section 4.10.

"Permitted Bond Hedge Transaction" means any call or capped call option (or substantively equivalent derivative transaction) on the Issuer's common stock purchased by the Issuer in connection with the issuance of any Convertible Indebtedness; *provided* that the purchase price for such Permitted Bond Hedge Transaction, *less* the proceeds received by the Issuer from the sale of any related Permitted Warrant Transaction, does not exceed the net proceeds received by the Issuer from the sale of such Convertible Indebtedness issued in connection with the Permitted Bond Hedge Transaction.

"Permitted Convertible Indebtedness Call Transaction" means any Permitted Bond Hedge Transaction and any Permitted Warrant Transaction.

"Permitted Holder" means (1) any of the Investors, Co-Investors and Management Stockholders, (2) any Person that has no material assets other than the Capital Stock of the Issuer, any Parent Company and other Permitted Holders and, directly or indirectly, holds or acquires 100% of the total voting power of the Issuer, and of which no other Person or group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, or any successor provision), other than any of the other Permitted Holders, holds more than 50% of the total voting power of the Issuer, and any New Parent and its Subsidiaries, (3) any Person acting in the capacity of an underwriter (solely to the extent that and for so long as such Person is acting in such capacity) in connection with a public or private offering of Capital Stock of the Issuer or any Permitted Parent (clauses (1) through (3), collectively, the "Permitted Persons"), and (4) any group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act) of which any of the foregoing are members; *provided*, in the case of such group and without giving effect to the existence of such group or any other group, the Permitted Persons, collectively, have beneficial ownership of more than 50.0% of the total voting power of the Issuer or any Permitted Parent. Any Person or group, together with its Affiliates, whose acquisition of beneficial ownership constitutes a Change of Control in respect of which any required Change of Control Offer or Alternate Offer is made in accordance with the requirements of this Indenture (or would have required a Change of Control Offer or Alternate Offer in the absence of the waiver of such requirement by Holders in accordance with the provisions of this Indenture), will thereafter, together with its Affiliates, constitute an additional Permitted Holder.

"Permitted Incremental Amount" means the sum of,

(1) the greater of (a) $400,000,000 and (b) the Issuer's Run-Rate Adjusted EBITDA for the most recently ended Test Period;

(2) $68,000,000;

(3) an amount that would not result in the Issuer's Senior Secured Net Leverage Ratio exceeding 4.00:1.00; and

(4) an amount that would not result in, with respect to Indebtedness that is unsecured, the Issuer's (i) Total Net Leverage Ratio exceeding 5.10 to 1.00 or (ii) Fixed Charge Coverage Ratio being less than 2.00 to 1.00;

in each case, determined as of the most recently ended Test Period (or in the case of Indebtedness under Designated Revolving Commitments, on the date such Designated Revolving Commitments are established after giving *pro forma* effect to the incurrence of the entire committed amount of the Indebtedness thereunder, in which case such committed amount under such Designated Revolving Commitments may thereafter be borrowed and reborrowed, in whole or in part, from time to time, without further compliance with this sentence) and on a *pro forma* basis, including a *pro forma* application of the net proceeds therefrom, as if the additional Indebtedness incurred pursuant to clause (3) or (4) had been incurred and the application of the proceeds therefrom has occurred at the beginning of such Test Period (it being understood that solely for the purpose of calculating the Senior Secured Net Leverage Ratio in connection with calculating the Permitted Incremental Amount under clause (3) of this definition, any outstanding Indebtedness Incurred under such clause (3) that is unsecured will nevertheless be deemed to be secured by a Lien). For the avoidance of doubt, (a) if the Issuer incurs Indebtedness pursuant to clause (1) or (2) above on the same date that it incurs Indebtedness pursuant to clause (3) or (4) above, then the Senior Secured Net Leverage Ratio, the Total Net Leverage Ratio or the Fixed Charge Coverage Ratio, as applicable, will be calculated without regard to any incurrence of Indebtedness pursuant to clause (1) or (2) above.

"Permitted Investments" means:

(1) any Investment in the Issuer or any Restricted Subsidiary (including guarantees of obligations of its Restricted Subsidiaries);

(2) any Investment in Cash Equivalents or Investment Grade Securities and Investments that were Cash Equivalents or Investment Grade Securities when made;

(3) any Investment by the Issuer or any Restricted Subsidiary in a Person that is engaged (directly or through entities that will be Restricted Subsidiaries) in a Similar Business if as a result of such Investment:

(a) such Person becomes a Restricted Subsidiary; or

(b) such Person, in one transaction or a series of related transactions, is amalgamated, merged or consolidated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Issuer or a Restricted Subsidiary,

and, in each case, any Investment held by such Person; *provided*, such Investment was not acquired by such Person in contemplation of such acquisition, merger, amalgamation, consolidation, transfer or conveyance;

(4) any Investment in securities or other assets not constituting Cash Equivalents or Investment Grade Securities and received in connection with an Asset Sale made pursuant to the provisions described under Section 4.10 or any other disposition of assets not constituting an Asset Sale;

(5) any Investment existing on the Issue Date or any Investment made pursuant to binding commitments in effect on the Issue Date or an Investment consisting of any extension, modification, replacement, renewal or reinvestment of any Investment or binding commitment existing on the Issue Date; *provided*, the amount of any such Investment or binding commitment may be increased, extended, modified, replaced, reinvested or renewed, (a) as required by the terms of such Investment or binding commitment as in existence on the Issue Date (including as a result of the accrual or accretion of interest or original issue discount or the issuance of pay-in-kind securities) or (b) as otherwise permitted under this Indenture;

(6) any Investment acquired by the Issuer or any Restricted Subsidiary:

(a) in exchange for any other Investment, accounts receivable or indorsements for collection or deposit held by the Issuer or any Restricted Subsidiary in connection with or as a result of a bankruptcy, workout, reorganization or recapitalization of, or settlement of delinquent accounts and disputes with or judgments against, the issuer of such other Investment or accounts receivable (including any trade creditor or customer);

(b) in satisfaction of judgments against other Persons;

(c) as a result of a foreclosure by the Issuer or any Restricted Subsidiary with respect to any secured Investment or other transfer of title with respect to any secured Investment in default; or

(d) as a result of the settlement, compromise or resolution of (i) litigation, arbitration or other disputes or (ii) obligations of trade creditors or customers that were incurred in the ordinary course of business or consistent with industry practice of the Issuer or any Restricted Subsidiary, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer.

(7) Hedging Obligations permitted under Section 4.09(b)(x);

(8) any Investment in a Similar Business taken together with all other Investments made pursuant to this clause (8) that are at that time outstanding, not to exceed the greater of (a) $120.0 million and (b) 30% of Run-Rate Adjusted EBITDA of the Issuer for the most recently ended Test Period on the date of such Investment (with the amount of each Investment being measured at the time made and without giving effect to subsequent changes in value, but subject to adjustment as set forth in the definition of Investment); *provided, however*, if any Investment pursuant to this clause (8) is made in any Person that is not a Restricted Subsidiary of the Issuer at the date of the making of such Investment and such Person becomes a Restricted Subsidiary after such date, such Investment will thereafter be deemed to have been made pursuant to clause (1) above and will cease to have been made pursuant to this clause (8) for so long as such Person continues to be a Restricted Subsidiary;

(9) Investments the payment for which consists of Equity Interests (other than Disqualified Stock) of the Issuer or any Parent Company; *provided*, such Equity Interests will not increase the amount available for Restricted Payments under Section 4.07(a)(iv)(C);

(10) guarantees of Indebtedness permitted under Section 4.09, performance guarantees and Contingent Obligations incurred in the ordinary course of business or consistent with industry practice and the creation of Liens on the assets of the Issuer or any Restricted Subsidiary in compliance with Section 4.12;

(11) any transaction to the extent it constitutes an Investment that is permitted by and made in accordance with the provisions of Section 4.11(b) (except transactions described in clauses (ii), (v), (ix), (xv) and (xxii) of such Section);

(12) Investments consisting of purchases and acquisitions of inventory, supplies, material, services or equipment or similar assets or the licensing or contribution of intellectual property pursuant to joint marketing arrangements with other Persons;

(13) Investments having an aggregate fair market value, taken together with all other Investments made pursuant to this clause (13) that are at that time outstanding (without giving effect to the sale of an Unrestricted Subsidiary to the extent the proceeds of such sale do not consist of Cash Equivalents or marketable securities), not to exceed the greater of (a) $120.0 million and (b) 30% of Run-Rate Adjusted EBITDA of the Issuer for the most recently ended Test Period on the date of such Investment (with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value, but subject to adjustment as set forth in the definition of "Investments"); *provided*, *however*, if any Investment pursuant to this clause (13) is made in any Person that is not a Restricted Subsidiary of the Issuer at the date of the making of such Investment and such Person becomes a Restricted Subsidiary after such date, such Investment will thereafter be deemed to have been made pursuant to clause (1) above and will cease to have been made pursuant to this clause (13) for so long as such Person continues to be a Restricted Subsidiary;

(14) Investments in or relating to a Securitization Subsidiary that, in the good faith determination of the Issuer, are necessary or advisable to effect any Qualified Securitization Facility (including distributions or payments of Securitization Fees) or any repurchase obligation in connection therewith (including the contribution or lending of Cash Equivalents to Subsidiaries to finance the purchase of such assets from the Issuer or any Restricted Subsidiary or to otherwise fund required reserves);

(15) loans and advances to, or guarantees of Indebtedness of, officers, directors, employees, consultants and members of management not in excess of $10.0 million outstanding at any one time, in the aggregate;

(16) loans and advances to employees, directors, officers, members of management and consultants for business-related travel expenses, moving expenses, payroll advances and other similar expenses or payroll expenses, in each case incurred in the ordinary course of business or consistent with past practice or consistent with industry practice or to future, present and former employees, directors, officers, members of management and consultants (and their Controlled Investment Affiliates and Immediate Family Members) to fund such Person's purchase of Equity Interests of the Issuer or any Parent Company;

(17) advances, loans or extensions of trade credit or prepayments to suppliers or loans or advances made to distributors, in each case, in the ordinary course of business or consistent with past practice or consistent with industry practice by the Issuer or any Restricted Subsidiary;

(18) any Investment in any Subsidiary or any joint venture in connection with intercompany cash management arrangements or related activities arising in the ordinary course of business or consistent with industry practice;

(19) Investments consisting of purchases and acquisitions of assets or services in the ordinary course of business or consistent with industry practice;

(20) Investments made in the ordinary course of business or consistent with industry practice in connection with obtaining, maintaining or renewing client contacts and loans or advances made to distributors;

(21) Investments in prepaid expenses, negotiable instruments held for collection and lease, utility and workers compensation, performance and similar deposits entered into as a result of the operations of the business in the ordinary course of business or consistent with industry practice;

(22) the purchase or other acquisition of any Indebtedness of the Issuer or any Restricted Subsidiary to the extent otherwise permitted hereunder;

(23) Investments in Unrestricted Subsidiaries having an aggregate fair market value, taken together with all other Permitted Investments made pursuant to this clause (23) that are at the time outstanding, without giving effect to the sale of an Unrestricted Subsidiary to the extent the proceeds of such sale do not consist of, or have not been subsequently sold or transferred for, Cash Equivalents or marketable securities, not to exceed the greater of (a) $90.0 million and (b) 20% of Run-Rate Adjusted EBITDA of the Issuer for the most recently ended Test Period on the date of such Investment (with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value, but subject to adjustment as set forth in the definition of "Investments"); *provided*, *however*, if any Investment pursuant to this clause (23) is made in any Person that is an Unrestricted Subsidiary of the Issuer at the date of the making of such Investment and such Person becomes a Restricted Subsidiary after such date, such Investment will thereafter be deemed to have been made pursuant to clause (1) above and will cease to have been made pursuant to this clause (23) for so long as such Person continues to be a Restricted Subsidiary;

(24) Investments in the ordinary course of business or consistent with industry practice consisting of Uniform Commercial Code Article 3 endorsements for collection or deposit and Article 4 customary trade arrangements with customers;

(25) any Investment by any Captive Insurance Subsidiary in connection with its provision of insurance to the Issuer or any of its Subsidiaries, which Investment is made in the ordinary course of business or consistent with industry practice of such Captive Insurance Subsidiary, or by reason of applicable law, rule, regulation or order, or that is required or approved by any regulatory authority having jurisdiction over such Captive Insurance Subsidiary or its business, as applicable;

(26) Investments made as part of, to effect or resulting from, the Transactions;

(27) Investments of assets relating to non-qualified deferred payment plans in the ordinary course of business or consistent with industry practice;

(28) intercompany current liabilities owed to Unrestricted Subsidiaries or joint ventures incurred in the ordinary course of business or consistent with industry practice in connection with the cash management operations of the Issuer and its Subsidiaries;

(29) acquisitions of obligations of one or more directors, officers or other employees or consultants or independent contractors of any Parent Company, the Issuer or any Subsidiary of the Issuer in connection with such director's, officer's, employee's, consultant's or independent contractor's acquisition of Equity Interests of the Issuer or any direct or indirect parent of the Issuer, to the extent no cash is actually advanced by the Issuer or any Restricted Subsidiary to such directors, officers, employees, consultants or independent contractors in connection with the acquisition of any such obligations;

(30) Investments constituting promissory notes or other non-cash proceeds of dispositions of assets to the extent permitted by Section 4.10;

(31) Investments resulting from pledges and deposits permitted pursuant to the definition of "Permitted Liens";

(32) loans and advances to any direct or indirect parent of the Issuer in lieu of and not in excess of the amount of (after giving effect to any other loans, advances or Restricted Payments in respect thereof) Restricted Payments to the extent permitted to be made in cash to such parent in accordance with Section 4.07 at such time, such Investment being treated for purposes of the applicable clause of Section 4.07, including any limitations, as if a Restricted Payment were made pursuant to such applicable clause;

(33) any other Investments if on a *pro forma* basis after giving effect to such Investment, the Total Net Leverage Ratio would be equal to or less than 4.10:1.00;

(34) Permitted Bond Hedge Transactions;

(35) Joint Venture Investments plus an amount equal to any returns (including dividends, interest, distributions, returns of principal, profits on sale, repayments, income and similar amounts) actually received in respect of any such Investment made pursuant to this clause (35); *provided, however*, if any Investment pursuant to this clause (35) is made in any Person at the date of the making of such Investment and such Person becomes a Restricted Subsidiary after such date, such Investment will thereafter be deemed to have been made pursuant to clause (1) above and will cease to have been made pursuant to this clause (35) for so long as such Person continues to be a Restricted Subsidiary; and

(36) Investments in connection with any Permitted Reorganization and the transactions relating thereto or contemplated thereby.

For purposes of determining compliance with this definition, (A) an Investment need not be incurred solely by reference to one category of Permitted Investments described in this definition but is permitted to be incurred in part under any combination thereof and of any other available exemption (including the covenant described under Section 4.07) and (B) in the event

that an Investment (or any portion thereof) meets the criteria of one or more of the categories of Permitted Investments or any other available exemption (including the covenant described under Section 4.07), the Issuer will, in its sole discretion, classify or reclassify such Investment (or any portion thereof) in any manner that complies with this definition and any other available exemption (including the covenant described under Section 4.07).

"Permitted Liens" means, with respect to any Person:

(1) Liens, pledges or deposits by such Person (A) made in connection with workmen's compensation laws, unemployment insurance, health, disability or employee benefits, other social security laws or similar legislation or regulations, (B) insurance-related obligations (including, but not limited to, in respect of deductibles, self-insured retention amounts and premiums and adjustments thereto) securing reimbursement or indemnification obligations of (including obligations in respect of letters of credit, bank guarantees or similar instruments for the benefit of) insurance carriers providing property, casualty or liability insurance, or otherwise supporting the payment of items set forth in the foregoing clause (A), or (C) bids, tenders, contracts, statutory obligations, surety, indemnity, warranty, release, appeal or similar bonds, or with regard to other regulatory requirements, completion guarantees, stay, customs and appeal bonds, performance bonds, bankers' acceptance facilities, and other obligations of like nature (including those to secure health, safety and environmental obligations) (other than for the payment of Indebtedness) or leases to which such Person is a party, or deposits to secure public or statutory obligations of such Person or deposits of cash or U.S. government bonds to secure surety or appeal bonds to which such Person is a party, or deposits as security for the payment of rent, contested taxes or import duties and obligations in respect of letters of credit, bank guarantees or similar instruments that have been posted to support the same, in each case incurred in the ordinary course of business or consistent with industry practice;

(2) Liens imposed by law, such as landlords', carriers', warehousemen's, materialmen's, repairmen's, construction and mechanics' Liens and other similar Liens and (i) for sums not yet overdue for a period of more than 60 days or, if more than 60 days overdue, are unfiled and no other action has been taken to enforce such Liens or (ii) being contested in good faith by appropriate actions or other Liens arising out of or securing judgments or awards against such Person with respect to which such Person will then be proceeding with an appeal or other proceedings for review if such Liens are adequately bonded or adequate reserves with respect thereto are maintained on the books of such Person in accordance with GAAP;

(3) Liens for taxes, assessments or other governmental charges not yet overdue for a period of more than 30 days or not yet payable or not subject to penalties for nonpayment or which are being contested in good faith by appropriate actions if adequate reserves with respect thereto are maintained on the books of such Person in accordance with GAAP;

(4) Liens in favor of issuers of performance, surety, bid, indemnity, warranty, release, appeal or similar bonds, instruments or obligations or with respect to regulatory requirements or letters of credit or bankers' acceptance issued, and completion guarantees provided for, in each case, issued pursuant to the request of and for the account of such Person in the ordinary course of its business or consistent with past practice or industry practice;

(5) survey exceptions, encumbrances, ground leases, easements, restrictions, protrusions, encroachments or reservations of, or rights of others for, licenses, rights-of-way, servitudes, sewers, electric lines, drains, telegraph, telephone and cable television lines and other similar purposes, or zoning, building codes or other restrictions (including minor defects or irregularities in title and similar encumbrances) as to the use of real properties or Liens incidental to the conduct of the business of such Person or to the ownership of its properties that were not incurred in connection with Indebtedness and that do not in the aggregate materially impair their use in the operation of the business of such Person and exceptions on title policies insuring Liens granted on Mortgaged Properties (as defined in the Senior Credit Facilities);

(6) Liens securing obligations in respect of Indebtedness, Disqualified Stock or Preferred Stock permitted to be incurred pursuant to clause (iv), (vi), (xii), (xiii), (xv), (xxiii), (xxv) and (xxxii) of Section 4.09(b); *provided*, (a) Liens securing obligations relating to any Indebtedness, Disqualified Stock or Preferred Stock permitted to be incurred pursuant to clause (xiii) of Section 4.09(b) relate only to obligations relating to Refinancing Indebtedness that is secured by Liens on the same assets as the assets securing the Refinanced Debt (as defined in the definition of Refinancing Indebtedness), plus improvements, accessions, proceeds or dividends or distributions in respect thereof and after-acquired property, or serves to refund, refinance, extend, replace, renew or defease Indebtedness, Disqualified Stock or Preferred Stock incurred under clause (iv), (xii) or (xiii) of Section 4.09(b), (b) Liens securing obligations relating to Indebtedness permitted to be incurred pursuant to clause (xxiii) of Section 4.09(b) extend only to the assets of Subsidiaries that are not Guarantors and (c) Liens securing obligations in respect of Indebtedness, Disqualified Stock or Preferred Stock permitted to be incurred pursuant to clause (iv) of Section 4.09(b) extend only to the assets so purchased, replaced, leased or improved and proceeds and products thereof; *provided*, *further*, that individual financings of assets provided by a counterparty may be cross-collateralized to other financings of assets provided by such counterparty;

(7) (a) Liens existing, or provided for under binding contracts existing, on the Issue Date and (b) Liens securing obligations in respect of the Existing Secured Notes outstanding on the Issue Date and the guarantees thereof;

(8) Liens on property or Equity Interests or other assets of a Person at the time such Person becomes a Subsidiary; *provided*, such Liens are not created or incurred in connection with, or in contemplation of, such other Person becoming such a Subsidiary; *provided*, *further*, such Liens are limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof and after-acquired property) that secured the obligations to which such Liens relate;

(9) Liens on property or other assets at the time the Issuer or a Restricted Subsidiary acquired the property or such other assets, including any acquisition by means of a merger, amalgamation or consolidation with or into the Issuer or any Restricted Subsidiary; *provided*, such Liens are not created or incurred in connection with, or in contemplation of, such acquisition, amalgamation, merger or consolidation; *provided*, *further*, such Liens are limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof and after acquired-property) that secured the obligations to which such Liens relate;

(10) Liens securing obligations in respect of Indebtedness or other obligations of a Restricted Subsidiary owing to the Issuer or another Restricted Subsidiary permitted to be incurred in accordance with Section 4.09;

(11) Liens securing (x) Hedging Obligations and (y) obligations in respect of Cash Management Services;

(12) Liens on specific items of inventory or other goods and proceeds of any Person securing such Person's accounts payable or similar obligations in respect of bankers' acceptances or letters of credit issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(13) leases, subleases, licenses or sublicenses (or other agreement under which the Issuer or any Restricted Subsidiary has granted rights to end users to access and use the Issuer's or any Restricted Subsidiary's facilities, products, technologies or services) that do not materially interfere with the business of the Issuer and its Restricted Subsidiaries, taken as a whole, and the customary rights reserved or vested in any Person by the terms of any lease, sublease, license, sublicense, grant or permit, or to require annual or periodic payments as a condition to the continuance thereof;

(14) Liens arising from Uniform Commercial Code (or equivalent statutes) financing statement filings regarding operating leases, consignments or accounts entered into by the Issuer and its Restricted Subsidiaries in the ordinary course of business or consistent with industry practice or purported Liens evidenced by the filing of precautionary Uniform Commercial Code (or equivalent statutes) financing statements or similar public filings;

(15) Liens in favor of the Issuer or any Guarantor;

(16) Liens on equipment or vehicles of the Issuer or any Restricted Subsidiary granted in the ordinary course of business or consistent with industry practice;

(17) Liens on accounts receivable, Securitization Assets and related assets incurred in connection with a Qualified Securitization Facility;

(18) Liens to secure any modification, refinancing, refunding, extension, renewal or replacement (or successive modification, refinancing, refunding, extensions, renewals or replacements) as a whole, or in part, of any Indebtedness, Disqualified Stock or Preferred Stock secured by any Lien referred to in clauses (6), (7), (8), (9) or (41) of this definition; *provided*, (a) such new Lien will be limited to all or part of the same property (*plus* improvements, accessions, proceeds or dividends or distributions in respect thereof and after-acquired property) that secured the original Lien (plus improvements and accessions on such property) and proceeds and products thereof, and (b) the Indebtedness, Disqualified Stock or Preferred Stock secured by such Lien at such time is not increased to any amount greater than the sum of (i) the outstanding principal amount or, if greater, committed amount of the Indebtedness described under clauses (6), (7), (8), (9) or (41) at the time the original Lien became a Permitted Lien under this Indenture, *plus* (ii) an amount necessary to pay any fees and expenses (including original issue discount, upfront fees, defeasance costs, underwriting discounts or similar fees) and premiums (including tender premiums and accrued and unpaid interest), related to such refinancing, refunding, extension, renewal or replacement;

(19) deposits made or other security provided to secure liability to insurance brokers, carriers, underwriters or self-insurance arrangements, including Liens or insurance policies and the proceeds thereof securing the financing of the premiums with respect thereto;

(20) other Liens securing obligations in an aggregate principal amount at any one time outstanding not to exceed the greater of (a) $120.0 million and (b) 30% of Run-Rate Adjusted EBITDA of the Issuer for the most recently ended Test Period on the date of such incurrence;

(21) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(22) (i) the prior rights of consignees and their lenders under consignment arrangements entered into in the ordinary course of business or consistent with industry practice, (ii) Liens arising out of conditional sale, title retention or similar arrangements for the sale of goods in the ordinary course of business or consistent with industry practice and (iii) Liens arising by operation of law under Article 2 of the Uniform Commercial Code;

(23) Liens securing judgments for the payment of money not constituting an Event of Default under Section 6.01(e);

(24) Liens (a) of a collection bank arising under Section 4-208 or 4-210 of the Uniform Commercial Code on items in the course of collection, (b) attaching to commodity trading accounts or other brokerage accounts incurred in the ordinary course of business or consistent with industry practice, and (c) in favor of banking or other institutions or other electronic payment service providers arising as a matter of law or under general terms and conditions encumbering deposits or margin deposits or other funds maintained with such institution (including the right of set-off) and which are within the general parameters customary in the banking industry;

(25) Liens deemed to exist in connection with Investments in repurchase agreements permitted under this Indenture; *provided* that such Liens do not extend to assets other than those that are subject to such repurchase agreements;

(26) Liens that are contractual rights of set-off (a) relating to the establishment of depository relations with banks or other deposit-taking financial institutions or other electronic payment service providers and not given in connection with the issuance of Indebtedness, (b) relating to pooled deposit or sweep accounts to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business or consistent with industry practice of the Issuer and its Restricted Subsidiaries or (c) relating to purchase orders and other agreements entered into with customers of the Issuer or any Restricted Subsidiary in the ordinary course of business or consistent with industry practice;

(27) Liens on cash proceeds (as defined in Article 9 of the Uniform Commercial Code) of assets sold that were subject to a Lien permitted hereunder);

(28) any encumbrance or restriction (including put, call arrangements, tag, drag, right of first refusal and similar rights) with respect to Capital Stock of any joint venture or similar arrangement pursuant to any joint venture or similar agreement;

(29) Liens (a) on cash advances or cash earnest money deposits in favor of the seller of any property to be acquired in an Investment permitted under this Indenture to be applied against the purchase price for such Investment and (b) consisting of a letter of intent or an agreement to sell, transfer, lease or otherwise dispose of any property in a transaction not prohibited under Section 4.10, in each case, solely to the extent such Investment or sale, disposition, transfer or lease, as the case may be, would have been permitted on the date of the creation of such Lien;

(30) ground leases, subleases, licenses or sublicenses in respect of real property on which facilities owned or leased by the Issuer or any of its Subsidiaries are located;

(31) Liens in connection with a Sale and Lease-Back Transaction;

(32) Liens on Capital Stock or other securities of an Unrestricted Subsidiary;

(33) any interest or title of a lessor, sublessor, licensor or sublicensor or secured by a lessor's, sublessor's, licensor's or sublicensor's interest under leases or licenses entered into by the Issuer or any of the Restricted Subsidiaries in the ordinary course of business or consistent with industry practice;

(34) deposits of cash with the owner or lessor of premises leased and operated by the Issuer or any of its Subsidiaries in the ordinary course of business or consistent with industry practice of the Issuer and such Subsidiary to secure the performance of the Issuer's or such Subsidiary's obligations under the terms of the lease for such premises;

(35) rights of set-off, banker's liens, netting arrangements and other Liens arising by operation of law or by the terms of documents of banks or other financial institutions in relation to the maintenance of administration of deposit accounts, securities accounts, cash management arrangements or in connection with the issuance of letters of credit, bank guarantees or other similar instruments;

(36) Liens on cash and Permitted Investments used to satisfy or discharge Indebtedness; *provided*, such satisfaction or discharge is permitted under this Indenture;

(37) receipt of progress payments and advances from customers in the ordinary course of business or consistent with industry practice to the extent the same creates a Lien on the related inventory and proceeds thereof;

(38) agreements to subordinate any interest of the Issuer or any Restricted Subsidiary in any accounts receivable or other proceeds arising from inventory consigned by the Issuer or any Restricted Subsidiary pursuant to an agreement entered into in the ordinary course of business or consistent with industry practice;

(39) [Reserved];

(40) [Reserved];

(41) Liens securing Existing Mortgage Debt and Liens arising pursuant to Section 107(l) of the Comprehensive Environmental Response, Compensation and Liability Act or similar provision of any environmental law;

(42) Liens disclosed by the title insurance policies delivered (i) on or prior to the Issue Date pursuant to the Senior Credit Facilities or (ii) in connection with mortgages related to the Existing Secured Notes and, in each case, any replacement, extension or renewal of any such Lien (to the extent the Indebtedness and other obligations secured by such replacement, extension or renewal Liens are permitted by this Indenture); *provided* that such replacement, extension or renewal Liens do not cover any property other than the property that was subject to such Liens prior to such replacement, extension or renewal;

(43) rights reserved or vested in any Person by the terms of any lease, license, franchise, grant or permit held by the Issuer or any of its Restricted Subsidiaries or by a statutory provision, to terminate any such lease, license, franchise, grant or permit, or to require annual or periodic payments as a condition to the continuance thereof;

(44) restrictive covenants affecting the use to which real property may be put; *provided* that the covenants are complied with;

(45) security given to a public utility or any municipality or Governmental Authority when required by such utility or authority in connection with the operations of that Person in the ordinary course of business or consistent with industry practice;

(46) zoning by-laws and other land use restrictions, including, without limitation, site plan agreements, development agreements and contract zoning agreements;

(47) Liens on fee-owned or ground leased real property that is not Material Real Property; and

(48) Liens on cash proceeds of Indebtedness (and on the related escrow accounts) in connection with the issuance of such Indebtedness into (and pending the release from) a customary escrow arrangement of any Indebtedness incurred pursuant to Section 4.09 and, in each case, any refinancing thereof.

For purposes of determining compliance with this definition, (A) a Lien need not be incurred solely by reference to one category of Permitted Liens described in this definition but is permitted to be incurred in part under any combination thereof and of any other available exemption (including the covenant described under Section 4.12) and (B) in the event that a Lien (or any portion thereof) meets the criteria of one or more of the categories of Permitted Liens or any other available exemption (including the covenant described under Section 4.12), the Issuer will, in its sole discretion, be entitled to divide, classify or reclassify, in whole or in part, any such Lien (or any portion thereof) among one or more such categories or clauses in any manner that complies with this definition or any other available exemption (including the covenant described under Section 4.12).

If any Liens securing obligations are incurred to refinance Liens securing obligations initially incurred in reliance on a basket measured by reference to a percentage of Run-Rate Adjusted EBITDA, and such refinancing would cause the percentage ofRun-Rate Adjusted EBITDA to be exceeded if calculated based on the Run-Rate Adjusted EBITDA on the date of such refinancing, such percentage ofRun-Rate Adjusted EBITDA will not be deemed to be exceeded to the extent the principal amount of such obligations secured by such newly incurred Lien does not exceed the principal amount of such obligations secured by such Liens being refinanced, plus the related costs incurred or payable in connection with such refinancing and if any Liens securing obligations are incurred to refinance Liens securing obligations initially incurred in reliance on a basket measured by a fixed dollar amount, such fixed dollar basket will be deemed to be exceeded to the extent the principal amount of such obligations secured by such Liens being refinanced, plus the related costs incurred or payable in connection with such refinancing.

For purposes of this definition, the term “Indebtedness” will be deemed to include interest on such Indebtedness.

“Permitted Parent” means any direct or indirect parent of the Issuer that at the time it became a parent of the Issuer was a Permitted Holder pursuant to clause (1) of the definition thereof.

"Permitted Reorganization" means any transaction (a) undertaken to effect a corporate reorganization (or similar transaction or event) for operational or efficiency purposes or (b) related to tax planning or tax reorganization, in each case, as determined in good faith by the Issuer and entered into after the Issue Date; provided that, (i) no Event of Default is continuing immediately prior to such transaction and immediately after giving effect thereto and (ii) such transaction will not materially adversely affect the Issuer's ability to make anticipated principal or interest payments on the Notes as and when they become due (as determined in good faith by the Issuer).

"Permitted Warrant Transaction" means any call option, warrant or right to purchase (or substantively equivalent derivative transaction) on the Issuer's or a Parent Company's common stock sold by the Issuer or a Parent Company substantially concurrently with any purchase by the Issuer of a related Permitted Bond Hedge Transaction.

"Person" means any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

"Preferred Stock" means any Equity Interest with preferential rights of payment of dividends or upon liquidation, dissolution, or winding up.

"Principal Property Subsidiary" means any Subsidiary that owns, operates or leases one or more Restricted Properties.

"Private Placement Legend" means the legend set forth in Section 2.06(g)(i) hereof to be placed on all Notes issued under this Indenture, except where otherwise permitted by the provisions of this Indenture.

"Public Company Costs" means the initial costs relating to establishing compliance with the Sarbanes-Oxley Act of 2002, as amended, and other expenses arising out of or incidental to the Issuer's or its Restricted Subsidiaries' initial establishment of compliance with the obligations of a reporting company, including costs, fees and expenses (including legal, accounting and other professional fees) relating to compliance with provisions of the Securities Act and the Exchange Act.

"Purchase Money Obligations" means any Indebtedness incurred to finance or refinance the acquisition, leasing, construction or improvement of property (real or personal) or assets (other than Capital Stock), and whether acquired through the direct acquisition of such property or assets, or otherwise.

"QIB" means a "qualified institutional buyer" as defined in Rule 144A.

"Qualified Equity Interests" means any Equity Interests that are not Disqualified Stock.

"Qualified Proceeds" means the fair market value of assets that are used or useful in, or Capital Stock of any Person engaged in, a Similar Business.

"Qualified Securitization Facility" means any Securitization Facility (1) constituting a securitization financing facility that meets the following conditions: (a) the Board of Directors will have determined in good faith that such Securitization Facility (including financing terms, covenants, termination events and other provisions) is in the aggregate economically fair and reasonable to the Issuer and the applicable Restricted Subsidiary or Securitization Subsidiary and (b) all sales and/or contributions of Securitization Assets and related assets to the applicable Person or Securitization Subsidiary are made at fair market value (as determined in good faith by the Issuer) or (2) constituting a receivables financing facility.

"Rating Agencies" means Fitch, Moody's and S&P or if Fitch, Moody's or S&P or if none are making a rating on the Notes publicly available, a nationally recognized statistical rating agency or agencies, as the case may be, selected by the Issuer which will be substituted for Fitch, Moody's or S&P or all, as the case may be.

"Record Date" for the interest payable on any applicable Interest Payment Date means the April 1 and October 1 (whether or not a Business Day) immediately preceding such Interest Payment Date.

"Refinancing Indebtedness" means (x) Indebtedness incurred by the Issuer or any Restricted Subsidiary, (y) Disqualified Stock issued by the Issuer or any Restricted Subsidiary or (z) Preferred Stock issued by any Restricted Subsidiary which, in each case, serves to extend, replace, refund, refinance, renew or defease any Indebtedness, Disqualified Stock or Preferred Stock, including Refinancing Indebtedness, so long as:

(1) (a) the principal amount (or accreted value, if applicable) of such new Indebtedness, the amount of such new Preferred Stock or the liquidation preference of such new Disqualified Stock does not exceed the principal amount of (or accreted value, if applicable), *plus* (b) any accrued and unpaid interest on the Indebtedness, the amount of any accrued and unpaid dividends on the Preferred Stock or the liquidation preference of, plus any accrued and unpaid dividends on, the Disqualified Stock being so extended, replaced, refunded, refinanced, renewed or defeased (such Indebtedness, Disqualified Stock or Preferred Stock, the "Refinanced Debt"), *plus* (c) the amount of any tender premium or penalty or premium required to be paid under the terms of the instrument or documents governing such Refinanced Debt and any defeasance costs and any fees and expenses (including original issue discount, upfront fees or similar fees) incurred in connection with the issuance of such new Indebtedness, Preferred Stock or Disqualified Stock or the extension, replacement, refunding, refinancing, renewal or defeasance of such Refinanced Debt (such amounts in clause (b) and (c), the "Incremental Amounts");

(2) such Refinancing Indebtedness has a Weighted Average Life to Maturity at the time such Refinancing Indebtedness is incurred that is not less than the remaining Weighted Average Life to Maturity of the Indebtedness, Disqualified Stock or Preferred Stock being extended, replaced, refunded, refinanced, renewed or defeased (or, if earlier, the date that is 91 days after the maturity date of the Notes);

(3) in the case of revolving Indebtedness, such Refinancing Indebtedness has a final scheduled maturity date equal to or later than the final scheduled maturity date of the Indebtedness, Preferred Stock or Disqualified Stock being so extended, replaced, refunded, refinanced, renewed or defeased (or, if earlier, the date that is 91 days after the maturity date of the Notes); and

(4) to the extent such Refinancing Indebtedness extends, replaces, refunds, refinances, renews or defeases (i) Subordinated Indebtedness (other than Subordinated Indebtedness assumed or acquired in an acquisition and not created in contemplation thereof), such Refinancing Indebtedness is subordinated to the Notes or the Guarantee thereof at least to the same extent as the Indebtedness being extended, replaced, refunded, refinanced, renewed or defeased or (ii) Disqualified Stock or Preferred Stock, such Refinancing Indebtedness must be Disqualified Stock or Preferred Stock, respectively.

Refinancing Indebtedness will not include:

(a) Indebtedness, Disqualified Stock or Preferred Stock of a Subsidiary of the Issuer that is not a Guarantor that refinances Indebtedness or Disqualified Stock of the Issuer;

(b) Indebtedness, Disqualified Stock or Preferred Stock of a Subsidiary of the Issuer that is not a Guarantor that refinances Indebtedness, Disqualified Stock or Preferred Stock of a Guarantor; or

(c) Indebtedness or Disqualified Stock of the Issuer or Indebtedness, Disqualified Stock or Preferred Stock of a Restricted Subsidiary that refinances Indebtedness, Disqualified Stock or Preferred Stock of an Unrestricted Subsidiary;

and, *provided*, *further*, (x) clauses (2) and (3) of this definition will not apply to any extension, replacement, refunding, refinancing, renewal or defeasance of any Indebtedness other than Indebtedness incurred under clause (ii) of Section 4.09(b), any Subordinated Indebtedness (other than Subordinated Indebtedness assumed or acquired in an Investment or acquisition and not created in contemplation thereof), Disqualified Stock and Preferred Stock and (y) Refinancing Indebtedness may be incurred in the form of a customary "bridge" or other interim credit facility intended to be refinanced or replaced with long-term indebtedness which does not satisfy the requirements of clauses (2) and (3) above so long as, subject to customary conditions, as determined in good faith by the Issuer, such "bridge" or other interim indebtedness will either be automatically converted into or required to be exchanged for permanent financing which satisfies the requirements of clauses (2) and (3) of this definition.

"Refinancing Transactions" means the transactions described under "Summary—The Refinancing Transactions" in the Offering Memorandum.

"Regulation S" means Regulation S promulgated under the Securities Act.

"Regulation S Global Note" means a Regulation S Temporary Global Note or Regulation S Permanent Global Note, as applicable.

"Regulation S Permanent Global Note" means a permanent Global Note in the form of Exhibit A attached hereto, bearing the Global Note Legend and the Private Placement Legend and deposited with or on behalf of, and registered in the name of, the Depositary or its nominee, issued in a denomination equal to the outstanding principal amount of the Regulation S Temporary Global Note upon expiration of the applicable Restricted Period.

"Regulation S Temporary Global Note" means a temporary Global Note in the form of Exhibit A attached hereto, bearing the Global Note Legend, the Private Placement Legend and the Regulation S Temporary Global Note Legend and deposited with or on behalf of, and registered in the name of, the Depositary or its nominee, issued in a denomination equal to the outstanding principal amount of the Notes initially sold in reliance on Rule 903.

"Regulation S Temporary Global Note Legend" means the legend set forth in Section 2.06(g)(iii) hereof.

"Related Business Assets" means assets (other than Cash Equivalents) used or useful in a Similar Business; *provided*, any assets received by the Issuer or a Restricted Subsidiary in exchange for assets transferred by the Issuer or a Restricted Subsidiary will not be deemed to be Related Business Assets if they consist of securities of a Person, unless upon receipt of the securities of such Person, such Person is or would become a Restricted Subsidiary.

"Responsible Officer" means, when used with respect to the Trustee, any officer within the corporate trust department of the Trustee, including any director, vice president, assistant vice president, any trust officer or assistant trust officer or any other officer of the Trustee who customarily performs functions similar to those performed by the Persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of such Person's knowledge of and familiarity with the particular subject and who shall have direct responsibility for the administration of this Indenture.

"Restricted Definitive Note" means a Definitive Note bearing, or that is required to bear, the Private Placement Legend.

"Restricted Global Note" means a Global Note bearing, or that is required to bear, the Private Placement Legend.

"Restricted Investment" means an Investment other than a Permitted Investment.

"Restricted Period" means, in respect of any Note issued pursuant to Regulation S, the 40-day distribution compliance period as defined in Regulation S applicable to such Note.

"Restricted Property" means (a) any fitness center, club or exercise facility, or portion thereof, owned or leased by the Issuer or any Subsidiary and located within the continental United States, with a gross book value in excess of 5% of Consolidated Total Assets, or (b) any shares of Capital Stock of any Subsidiary owning any such facility. Wherever the term "Restricted Subsidiary" is used herein with respect to any Subsidiary of a referenced Person that is not the Issuer, then it will be construed to mean a Person that would be a Restricted Subsidiary of the Issuer on a *pro forma* basis following consummation of one or a series of related transactions involving such referenced Person and the Issuer (but for which transactions may include a designation of a Subsidiary of such Person as an Unrestricted Subsidiary on a *pro forma* basis in accordance with this Indenture).

"Restricted Subsidiary" means, at any time, any direct or indirect Subsidiary of the Issuer (including any Foreign Subsidiary) that is not then an Unrestricted Subsidiary; *provided*, that notwithstanding the foregoing, in no event will (i) any Securitization Subsidiary, (ii) any special purpose vehicle that borrows mortgage debt secured by fitness centers or exercise facilities and has no other activities, or (iii) any special purpose vehicle that incurs construction or permanent financing secured by Life Time Work or Life Time Living facilities, in each case of clauses (i) through (iii), will be considered a Restricted Subsidiary for purposes of Section 6.01(d) and (e); *provided further*, upon the occurrence of an Unrestricted Subsidiary ceasing to be an Unrestricted Subsidiary, such Subsidiary will be included in the definition of "Restricted Subsidiary." Wherever the term "Restricted Subsidiary" is used herein with respect to any Subsidiary of a referenced Person that is not the Issuer, then it will be construed to mean a Person that would be a Restricted Subsidiary of the Issuer on a *pro forma* basis following consummation of one or a series of related transactions involving such referenced Person and the Issuer (but for which transactions may include a designation of a Subsidiary of such Person as an Unrestricted Subsidiary on a *pro forma* basis in accordance with this Indenture).

"Rule 144" means Rule 144 promulgated under the Securities Act.

"Rule 144A" means Rule 144A promulgated under the Securities Act.

"Rule 903" means Rule 903 promulgated under the Securities Act.

"Rule 904" means Rule 904 promulgated under the Securities Act.

"Run-Rate Adjusted EBITDA" means, with respect to any Person for any period, the Adjusted EBITDA of such Person and its Restricted Subsidiaries for such period increased by the Total New Facility Run-Rate Adjustment.

"S&P" means S&P Global Ratings, and any successor to its rating agency business.

"Sale and Lease-Back Transaction" means any arrangement providing for the leasing by the Issuer or any Restricted Subsidiary of any real or tangible personal property, which property has been or is to be sold or transferred by the Issuer or such Restricted Subsidiary to a third Person in contemplation of such leasing. The net proceeds of any Sale and Lease-Back Transaction will be determined giving effect to transaction expenses and the tax effect of such transactions (including taxes paid or payable and tax attributes used as a result of such transactions).

"Sale-Leaseback SPE" means any special purpose entity formed for the primary purpose to hold a leasehold interest in real property that is subject to a Sale and Lease-Back Transaction that and has no other activities other than those incidental to holding such leasehold interest, including Healthy Way of Life I, LLC, Healthy Way of Life II, LLC, Healthy Way of Life III, LLC and any successors or assigns thereof, and any such special purpose tenant entities formed in connection with any Specified Sale-Leaseback Transactions.

"SEC" means the U.S. Securities and Exchange Commission.

"Secured Indebtedness" means any Indebtedness of the Issuer or any Restricted Subsidiary secured by a Lien.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.

"Securitization Assets" means (a) the accounts receivable, royalty or other revenue streams and other rights to payment and other assets related thereto subject to a Qualified Securitization Facility and the proceeds thereof and (b) contract rights, lockbox accounts and records with respect to such accounts receivable and any other assets customarily transferred together with accounts receivable in a securitization financing.

"Securitization Facility" means any transaction or series of securitization financings that may be entered into by the Issuer or any Restricted Subsidiary pursuant to which the Issuer or any such Restricted Subsidiary may sell, convey or otherwise transfer, or may grant a security interest in, Securitization Assets to either (a) a Person that is not the Issuer or a Restricted Subsidiary or (b) a Securitization Subsidiary that in turn sells such Securitization Assets to a Person that is not the Issuer or a Restricted Subsidiary, or may grant a security interest in, any Securitization Assets of the Issuer or any of its Subsidiaries.

"Securitization Fees" means distributions or payments made directly or by means of discounts with respect to any participation interest issued or sold in connection with, and other fees and expenses (including reasonable fees and expenses of legal counsel) paid to a Person that is not a Securitization Subsidiary in connection with, any Qualified Securitization Facility.

"Securitization Subsidiary" means any Subsidiary formed for the purpose of, and that solely engages only in one or more Qualified Securitization Facilities and other activities reasonably related thereto.

"Senior Credit Facilities" means, collectively, the senior secured term loan facility and the senior secured revolving facility under that certain credit agreement (the "Senior Credit Agreement"), dated June 10, 2015, by and among the Issuer, Deutsche Bank AG New York Branch, as the administrative agent, and the lenders and other entities party thereto, including any guarantees, collateral documents, instruments and agreements executed in connection therewith, and any amendments, supplements, modifications, extensions, renewals, restatements, refundings, refinancings or replacements thereof and any one or more indentures or credit facilities or commercial paper facilities with banks or other institutional lenders, or investors, whether or not secured, that replace, refund, supplement or refinance any part of the loans, notes, other credit facilities or commitments thereunder, including any such replacement, refunding or refinancing facility or indenture that increases the amount borrowable thereunder or alters the maturity thereof (*provided*, such increase in borrowings is permitted under Section 4.09) or adds Restricted Subsidiaries as additional borrowers or guarantors thereunder and whether by the same or any other agent, trustee, lender or group of lenders or holders.

"Senior Indebtedness" means:

(1) all Indebtedness of the Issuer or any Guarantor outstanding under the Senior Credit Facilities, the Existing Secured Notes and the related guarantees and the Notes and related Guarantees (including interest accruing on or after the filing of any petition in bankruptcy or similar proceeding or for reorganization of the Issuer or any Guarantor (at the rate provided for in the documentation with respect thereto, regardless of whether or not a claim for post-filing interest is allowed in such proceedings)), and any and all other fees, expense reimbursement obligations, indemnification amounts, penalties, and other amounts (whether existing on the Issue Date or thereafter created or incurred) and all obligations of the Issuer or any Guarantor to reimburse any bank or other Person in respect of amounts paid under letters of credit, acceptances or other similar instruments;

(2) all (a) Hedging Obligations (and guarantees thereof) and (b) obligations in respect of Cash Management Services (and guarantees thereof) owing to a lender under the Senior Credit Facilities or any Affiliate of such lender (or any Person that was a lender or an Affiliate of such lender at the time the applicable agreement giving rise to such Hedging Obligation was entered into); *provided*, such Hedging Obligations and obligations in respect of Cash Management Services, as the case may be, are permitted to be incurred under the terms of this Indenture;

(3) any other Indebtedness of the Issuer or any Guarantor permitted to be incurred under the terms of this Indenture, unless the instrument under which such Indebtedness is incurred expressly provides that it is subordinated in right of payment to the Notes or any related Guarantee; and

(4) all Obligations with respect to the items listed in the preceding clauses (1), (2) and (3);

provided, Senior Indebtedness will not include:

(a) any obligation of such Person to the Issuer or any of its Subsidiaries;

(b) any liability for federal, state, local or other taxes owed or owing by such Person;

(c) any accounts payable or other liability to trade creditors arising in the ordinary course of business or consistent with industry practice;

(d) any Indebtedness or other Obligation of such Person which is subordinate or junior in any respect to any other Indebtedness or other Obligation of such Person; or

(e) that portion of any Indebtedness which at the time of incurrence is incurred in violation of this Indenture.

"Senior Secured Net Leverage Ratio" means, with respect to any Test Period, the ratio of (a) Consolidated Total Debt outstanding as of the last day of such Test Period that is secured by a Lien, plus Existing Mortgage Debt and Capitalized Lease Obligations or any Refinancing Indebtedness thereof (other than property or assets held in a defeasance or similar trust or arrangement (including escrow arrangements) solely for the benefit of the Indebtedness secured thereby), minus, the aggregate amount of cash and Cash Equivalents included in the consolidated balance sheet of the Issuer as of such date, excluding cash and Cash Equivalents that are listed as "Restricted" on such balance sheet to (b) Run-Rate Adjusted EBITDA of the Issuer for such Test Period, in each case on a pro forma basis with such pro forma adjustments as are appropriate and consistent with the pro forma adjustment provisions set forth in the definition of Fixed Charge Coverage Ratio.

"Significant Subsidiary" means any Restricted Subsidiary that would be a "significant subsidiary" as defined in Article 1, Rule 1-02 of Regulation S-X of the SEC, as such regulation is in effect on the Issue Date; *provided*, that notwithstanding the foregoing, in no event will (i) any Securitization Subsidiary, (ii) any special purpose vehicle that borrows mortgage debt secured by fitness centers or exercise facilities and has no other activities or (iii) any special purpose vehicle that incurs construction or permanent financing secured by Life Time Work or Life Time Living facilities, in each case of clauses (i) through (iii), be considered a Significant Subsidiary for purposes of clause (d) or (e) of Section 6.01.

"Similar Business" means (1) any business conducted or proposed to be conducted by the Issuer or any Restricted Subsidiary on the Issue Date or (2) any business or other activities that are reasonably similar, ancillary, incidental, complementary or related to (including non-core incidental businesses acquired in connection with any Permitted Investment), or a reasonable extension, development or expansion of, the businesses in which the Issuer and its Restricted Subsidiaries conduct or propose to conduct on the Issue Date.

"Specified Businesses" means the business units designated by the Issuer as Events, ChronoTrack and MyHealthCheck.

"Specified Sale-Leaseback Transaction" means one or more Sale and Lease-Back Transactions with respect to all or any portion of any real property owned by the Issuer or any Restricted Subsidiary on or after the Issue Date.

"Specified Transaction" means (i) solely for the purposes of determining the applicable cash balance, any contribution of capital, including as a result of an Equity Offering, to the Issuer, in each case, in connection with an acquisition or Investment, (ii) any designation of operations or assets of the Issuer or a Restricted Subsidiary as discontinued operations (as defined under GAAP), (iii) any Investment that results in a Person becoming a Restricted Subsidiary, (iv) any designation of a Subsidiary as a Restricted Subsidiary or an Unrestricted Subsidiary in compliance with this Indenture, (v) any purchase or other acquisition of a business of any Person, of assets constituting a business unit, line of business or division of any Person, (vi) any Asset Sale (a) that results in a Restricted Subsidiary ceasing to be a Subsidiary of the

Issuer or (b) of a business, business unit, line of business or division of the Issuer or a Restricted Subsidiary, in each case whether by merger, amalgamation, consolidation or otherwise, (vii) any operational changes identified by the Issuer that have been made by the Issuer or any Restricted Subsidiary during the Test Period or (viii) any other transaction that by the terms of this Indenture requires a financial ratio to be calculated on a *pro forma* basis.

"Subordinated Indebtedness" means, with respect to the Notes,

(1) any Indebtedness of the Issuer that is by its terms subordinated in right of payment to the Notes, and

(2) any Indebtedness of any Guarantor that is by its terms subordinated in right of payment to the Guarantee of such entity of the Notes.

"Subsidiary" means, with respect to any Person:

(1) any corporation, association, or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50.0% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, members of management or trustees thereof is at the time of determination owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof; and

(2) any partnership, joint venture, limited liability company or similar entity of which:

(a) more than 50.0% of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof whether in the form of membership, general, special or limited partnership or otherwise, and

(b) such Person or any Restricted Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

Unless otherwise specified, all references herein to a "Subsidiary" or to "Subsidiaries" refer to a Subsidiary or Subsidiaries of the Issuer.

"Subsidiary Guarantor" means each Restricted Subsidiary of the Issuer, if any, that Guarantees the Notes in accordance with the terms of this Indenture (excluding any Parent Company that guarantees the Notes); *provided* that upon the release or discharge of such Person from its Guarantee in accordance with this Indenture, such Person ceases to be a Subsidiary Guarantor.

"Swap Contract" means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement, including any obligations or liabilities under any such master agreement.

"Test Period" in effect at any time means the Issuer's most recently ended four consecutive fiscal quarters for which internal financial statements are available (as determined in good faith by the Issuer); *provided*, prior to the first date on which financial statements have been furnished, the Test Period in effect will be the period of four consecutive fiscal quarters of the Issuer ended September 30, 2020.

"Total Net Leverage Ratio" means, with respect to any Test Period, the ratio of (a) Consolidated Total Debt outstanding on the last day of such Test Period *minus* an aggregate amount of cash and Cash Equivalents included in the consolidated balance sheet of the Issuer as of such date, excluding cash and Cash Equivalents which are listed as "Restricted" on such balance sheet, to (b) Run-Rate Adjusted EBITDA of the Issuer for such Test Period, in each case on a *pro forma* basis with such *pro forma* adjustments as are appropriate and consistent with the *pro forma* adjustment provisions set forth in the definition of Fixed Charge Coverage Ratio.

"Total New Facility Run-Rate Adjustment" means, with respect to any Person for any period, the sum of the New Facility EBITDA Adjustments for each New Facility.

"Transaction Agreement" means the Agreement and Plan of Merger, dated as of March 15, 2015, among Life Time, LTF Holdings, Inc., a Delaware corporation, and LTF Merger Sub, Inc., a Minnesota corporation, as amended, modified and supplemented from time to time.

"Transaction Expenses" means any fees, expenses, costs or charges incurred or paid by the Investors, any Parent Company, the Issuer or any Restricted Subsidiary in connection with the Transactions, including expenses in connection with hedging transactions, if any, payments to officers, employees and directors as change of control payments, severance payments, special or retention bonuses and charges for repurchase or rollover of, or modifications to, stock options and/or restricted stock.

"Transactions" means the transactions contemplated by the Transaction Agreement (as amended), and transactions related or incidental to, or in connection with, such transactions, the issuance of the Existing Unsecured Notes and borrowings under the Senior Credit Facilities on June 10, 2015, and the payment of Transaction Expenses.

"Treasury Rate" means, as of any Redemption Date, the yield to maturity as of such Redemption Date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15(519) that has become publicly available at least two Business Days prior to the Redemption Date (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the Redemption Date to February 1, 2023; *provided*, if the period from the Redemption Date to such date is less than one year, the weekly average yield on actively traded United States Treasury securities adjusted to a constant maturity of one year will be used.

"Trust Indenture Act" means the Trust Indenture Act of 1939, as amended (15 U.S.C. §§ 77aaa-777bbbb).

"Trustee" means Wilmington Savings Fund Society, FSB, as trustee, until a successor replaces it in accordance with the applicable provisions of this Indenture and thereafter means the successor serving hereunder.

"Uniform Commercial Code" or "UCC" means the Uniform Commercial Code or any successor provision thereof as the same may from time to time be in effect in the State of New York.

"Unrestricted Definitive Note" means one or more Definitive Notes that do not bear and are not required to bear the Private Placement Legend.

"Unrestricted Global Note" means a permanent Global Note, substantially in the form of Exhibit A attached hereto, that bears the Global Note Legend and that has the "Schedule of Exchanges of Interests in the Global Note" attached thereto, and that is deposited with or on behalf of and registered in the name of the Depositary, representing Notes that do not bear the Private Placement Legend.

"Unrestricted Subsidiary" means:

(1) LT Co-Borrower Holdco, LLC and LT Co-Borrower, LLC;

(2) any Subsidiary of the Issuer which at the time of determination is an Unrestricted Subsidiary (as designated by the Issuer, as provided below); and

(3) any Subsidiary of an Unrestricted Subsidiary.

The Issuer may designate any Subsidiary of the Issuer (including any existing Subsidiary and any newly acquired or newly formed Subsidiary) to be an Unrestricted Subsidiary unless such Subsidiary or any of its Subsidiaries owns any Equity Interests or Indebtedness of, or owns or holds any Lien on, any property of, the Issuer or any Subsidiary of the Issuer (other than solely any Subsidiary of the Subsidiary to be so designated); *provided*:

(1) such designation complies with Section 4.07; and

(2) each of (a) the Subsidiary to be so designated and (b) its Subsidiaries has not at the time of designation, and does not thereafter, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable with respect to any Indebtedness pursuant to which the lender has recourse to any of the assets of the Issuer or any Restricted Subsidiary (other than Equity Interests in an Unrestricted Subsidiary).

The Issuer may designate any Unrestricted Subsidiary to be a Restricted Subsidiary;*provided* that, immediately after giving effect to such designation, no Event of Default under clauses (a) and (b) of Section 6.01 (or with respect to the Issuer only, clause (f) or (g) of Section 6.01) will have occurred and be continuing and either:

(1) the Issuer could incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio Test;

(2) the Issuer could incur at least $1.00 of additional Indebtedness pursuant to the Total Net Leverage Ratio Test;

(3) the Fixed Charge Coverage Ratio for the Issuer would be equal to or greater than such ratio for the Issuer immediately prior to such designation; or

(4) the Total Net Leverage Ratio for the Issuer would be equal to or less than such ratio for the Issuer immediately prior to such designation, in each case, on a *pro forma* basis taking into account such designation.

Any such designation by the Issuer will be notified by the Issuer to the Trustee by promptly filing with the Trustee a copy of the resolution of the Board of Directors or any committee thereof giving effect to such designation and an Officer's Certificate certifying that such designation complied with the foregoing provisions.

"U.S. Person" means a U.S. person as defined in Rule 902(k) under the Securities Act.

"Voting Stock" of any Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

"Weighted Average Life to Maturity" means, when applied to any Indebtedness, Disqualified Stock or Preferred Stock, as the case may be, at any date, the quotient obtained by dividing:

(1) the sum of the products of the number of years (calculated to the nearestone-twenty-fifth) from the date of determination to the date of each successive scheduled principal payment of such Indebtedness or redemption or similar payment with respect to such Disqualified Stock or Preferred Stock, *multiplied* by the amount of such payment; by

(2) the sum of all such payments;

provided, for purposes of determining the Weighted Average Life to Maturity of any Indebtedness that is being extended, replaced, refunded, refinanced, renewed or defeased (the "Applicable Indebtedness"), the effects of any amortization or prepayments made on such Applicable Indebtedness prior to the date of the applicable extension, replacement, refunding, refinancing, renewal or defeasance will be disregarded.

"Wholly-Owned Subsidiary" of any Person means a Subsidiary of such Person, 100.0% of the outstanding Equity Interests of which (other than directors' qualifying shares and shares of Capital Stock of Foreign Subsidiaries issued to foreign nationals as required under applicable law) is at the time owned by such Person and/or by one or more Wholly-Owned Subsidiaries of such Person.

"Wholly-Owned Restricted Subsidiary" is any Wholly-Owned Subsidiary that is a Restricted Subsidiary.

SECTION 1.02. Other Definitions.

Term	Defined in Section
"Acceptable Commitment"	4.10
"Advance Offer"	4.10
"Advance Portion"	4.10
"Affiliate Transaction"	4.11
"Applicable Premium Deficit"	8.04
"Asset Sale Offer"	4.10
"Asset Sale Proceeds Application Period"	4.10
"Authentication Order"	2.02
"Change of Control Offer"	4.14
"Change of Control Payment"	4.14
"Change of Control Payment Date"	4.14
"Covenant Defeasance"	8.03
"Covenant Suspension Event"	4.16
"Declined Excess Proceeds"	4.10
"DTC"	2.03
"Event of Default"	6.01
"Excess Proceeds"	4.10
"Fixed Charge Coverage Test"	4.07
"incur" and "incurrence"	4.09
"Initial Notes"	Section 1.01
"Legal Defeasance"	8.02
"Limited Condition Transaction"	1.06
"New Parent"	Section 1.01
"Note Register"	2.03
"Offer Amount"	3.09
"Offer Period"	3.09
"Pari Passu Indebtedness"	4.10

Term	Defined in Section
"Paying Agent"	2.03
"Purchase Date"	3.09
"Qualified Reporting Subsidiary"	4.03
"Redemption Date"	3.01
"Refunding Capital Stock"	4.07
"Registrar"	2.03
"Restricted Payments"	4.07
"Reversion Date"	4.16
"Second Commitment"	4.10
"Successor Company"	5.01
"Successor Person"	5.01
"Suspended Covenants"	4.16
"Suspension Date"	4.16
"Suspension Period"	4.16
"Tax Group"	4.07
"Testing Party"	1.06
"Total Net Leverage Ratio Test"	4.07
"Transaction Agreement Date"	1.06
"Transfer Agent"	2.03
"Treasury Capital Stock"	4.07

SECTION 1.03. [Reserved].

SECTION 1.04. Rules of Construction. Unless the context otherwise requires:

(a) a term has the meaning assigned to it;

(b) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;

(c) "or" is not exclusive;

(d) the words "including," "includes" and similar words shall be deemed to be followed by without limitation;

(e) words in the singular include the plural, and in the plural include the singular;

(f) "will" shall be interpreted to express a command;

(g) provisions apply to successive events and transactions;

(h) references to sections of, or rules under, the Securities Act or the Exchange Act shall be deemed to include substitute, replacement or successor sections or rules adopted by the SEC from time to time;

(i) unless the context otherwise requires, any reference to an "Article," "Section" or "clause" refers to an Article, Section or clause, as the case may be, of this Indenture;

(j) the words "herein," "hereof" and "hereunder" and other words of similar import refer to this Indenture as a whole and not any particular Article, Section, clause or other subdivision;

(k) [Reserved];

(l) the principal amount of any Preferred Stock at any time shall be (i) the maximum liquidation value of such Preferred Stock at such time or (ii) the maximum mandatory redemption or mandatory repurchase price with respect to such Preferred Stock at such time, whichever is greater;

(m) words used herein implying any gender shall apply to both genders;

(n) in the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including"; the words "to" and "until" each mean "to but excluding"; and the word "through" means "to and including"; and

(o) the principal amount of any non-interest bearing Indebtedness or other discount security constituting Indebtedness at any date shall be the principal amount thereof that would be shown on a balance sheet of the Issuer dated such date prepared in accordance with GAAP.

SECTION 1.05. Acts of Holders.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by an agent duly appointed in writing. Except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee and, where it is hereby expressly required, to the Issuer. Proof of execution of any such instrument or of a writing appointing any such agent, or the holding by any Person of a Note, shall be sufficient for any purpose of this Indenture and (subject to Section 7.01 hereof) conclusive in favor of the Trustee and the Issuer, if made in the manner provided in this Section 1.05.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof. Where such execution is by or on behalf of any legal entity other than an individual, such certificate or affidavit shall also constitute proof of the authority of the Person executing the same. The fact and date of the execution of any such instrument or writing, or the authority of the Person executing the same, may also be proved in any other manner that the Trustee deems sufficient.

(c) The ownership of Notes shall be proved by the Note Register.

(d) Any request, demand, authorization, direction, notice, consent, waiver or other action by the Holder of any Note shall bind every future Holder of the same Note and the Holder of every Note issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof, in respect of any action taken, suffered or omitted by the Trustee or the Issuer in reliance thereon, whether or not notation of such action is made upon such Note.

(e) Unless otherwise specified, if not set by the Issuer prior to the first solicitation of a Holder made by any Person in respect of any such action, or in the case of any such vote, prior to such vote, any such record date shall be the later of 10 days prior to the first solicitation of such consent or the date of the most recent list of Holders furnished to the Trustee prior to such solicitation.

(f) Without limiting the foregoing, a Holder entitled to take any action hereunder with regard to any particular Note may do so with regard to all or any part of the principal amount of such Note or by one or more duly appointed agents, each of which may do so pursuant to such appointment with regard to all or any part of such principal amount. Any notice given or action taken by a Holder or its agents with regard to different parts of such principal amount pursuant to this paragraph shall have the same effect as if given or taken by separate Holders of each such different part.

(g) Without limiting the generality of the foregoing, a Holder, including DTC, that is a Holder of a Global Note, may make, give or take, by a proxy or proxies duly appointed in writing, any request, demand, authorization, direction, notice, consent, waiver or other action provided in this Indenture to be made, given or taken by Holders, and any Person, that is a Holder of a Global Note, including DTC, may provide its proxy or proxies to the beneficial owners of interests in any such Global Note through such Depositary's standing instructions and customary practices.

(h) The Issuer may fix a record date for the purpose of determining the Persons who are beneficial owners of interests in any Global Note held by DTC entitled under the procedures of such Depositary to make, give or take, by a proxy or proxies duly appointed in writing, any request, demand, authorization, direction, notice, consent, waiver or other action provided in this Indenture to be made, given or taken by Holders. If such a record date is fixed, the Holders on such record date or their duly appointed proxy or proxies, and only such Persons, shall be entitled to make, give or take such request, demand, authorization, direction, notice, consent, waiver or other action, whether or not such Holders remain Holders after such record date. No such request, demand, authorization, direction, notice, consent, waiver or other action shall be valid or effective if made, given or taken more than 90 days after such record date.

SECTION 1.06. Limited Condition Transactions; Measuring Compliance.

(a) With respect to any (w) Investment or acquisition, merger, amalgamation or similar transaction in each case, that has been definitively agreed to or publicly announced (including a Change of Control), (x) Asset Sale or similar transaction that has been definitively agreed to or publicly announced, (y) repayment, repurchase or refinancing of Indebtedness, Disqualified Stock or Preferred Stock with respect to which a notice of repayment (or similar notice), which may be conditional, has been delivered and (z) Restricted Payment that has been declared (a transaction described in clauses (w) through (z), a "Limited Condition Transaction"), in each case for purposes of determining:

(i) whether any Indebtedness (including Acquired Indebtedness), Disqualified Stock or Preferred Stock that is being incurred in connection with such Limited Condition Transaction is permitted to be incurred in compliance with Section 4.09;

(ii) whether any Lien being incurred in connection with such Limited Condition Transaction or to secure any such Indebtedness is permitted to be incurred in accordance with Section 4.12 or the definition of "Permitted Liens";

(iii) whether any other transaction undertaken or proposed to be undertaken in connection with such Limited Condition Transaction (including any Restricted Payment, Investment, Asset Sale or designation of an Unrestricted Subsidiary) complies with the covenants or agreements contained in this Indenture or the Notes;

(iv) any calculation of the ratios, baskets or financial metrics, including the Fixed Charge Coverage Ratio, Total Net Leverage Ratio, Senior Secured Net Leverage Ratio, Net Income, Consolidated Net Income, Adjusted EBITDA and/or Run-Rate Adjusted EBITDA and any other terms used in such ratios, baskets or financial metrics and, whether a Default or Event of Default exists, has occurred, is continuing or would result in connection with the foregoing; and

(v) whether any condition precedent to the Limited Condition Transaction and any incurrence of Indebtedness (including Acquired Indebtedness), Disqualified Stock, Preferred Stock or Liens or any other transaction undertaken or proposed to be undertaken in connection with such Limited Condition Transaction, in each case that is being incurred in connection with such Limited Condition Transaction is satisfied,

at the option of the Issuer, any of its Restricted Subsidiaries, any Parent Company of the Issuer or any successor entity of any of the foregoing or a third party (the "Testing Party"), using the date that the definitive agreement (or other relevant documentation) for such Limited Condition Transaction, announcement (public or otherwise) of, or the date of any notice, which may be conditional, of such Limited Condition Transaction or the date of declaration of a Restricted Payment (the "Transaction Agreement Date") may be used as the applicable date of determination, as the case may be, in each case with such *pro forma* adjustments as are appropriate and consistent with the *pro forma* adjustment provisions set forth in the definition of "Fixed Charge Coverage Ratio" or "Adjusted EBITDA". For the avoidance of doubt, if the Testing Party elects to use the Transaction Agreement Date as the applicable date of determination in accordance with the foregoing, (a) any fluctuation or change in the Fixed Charge Coverage Ratio, Total Net Leverage Ratio, Senior Secured Net Leverage Ratio, Net Income, Consolidated Net Income, Adjusted EBITDA, Run-Rate Adjusted EBITDA or other related terms in the calculation of ratios, baskets and financial metrics of the Issuer, the target business, or assets to be acquired subsequent to the Transaction Agreement Date and prior to the consummation of such Limited Condition Transaction, will not be taken into account for

purposes of determining whether any Indebtedness or Lien that is being incurred in connection with such Limited Condition Transaction is permitted to be incurred or in connection with compliance by the Issuer or any of the Restricted Subsidiaries with any other provision of this Indenture or the Notes or any other transaction undertaken in connection with such Limited Condition Transaction, (b) for purposes of determining compliance with any provision which requires that no Default or Event of Default, as applicable, has occurred, is continuing or would result from any Limited Condition Transaction, such condition shall be deemed satisfied so long as no Default or Event of Default, as applicable, exists on the Transaction Agreement Date, (c) if financial statements for one or more subsequent fiscal quarters shall have become available, the Testing Party may elect, in its sole discretion, to re-determine all such baskets, ratios and financial metrics on the basis of such financial statements, in which case such date of redetermination shall thereafter be deemed to be the applicable Transaction Agreement Date for purposes of such baskets, ratios and financial metrics, (d) if any ratios or financial metrics improve or baskets increase as a result of such fluctuations, such improved ratios, financial metrics or baskets may be utilized, (e) until such Limited Condition Transaction is consummated, such definitive agreements (or other relevant documentation) are terminated or conditions in any conditional notice can no longer be met or public announcements with respect thereto are withdrawn or there is a public announcement to the effect that the transaction contemplated by such definitive agreements will no longer be consummated or such transaction is otherwise abandoned (each as determined by the Testing Party), such Limited Condition Transaction and all transactions proposed to be undertaken in connection therewith (including the incurrence of Indebtedness and Liens) will be given *pro forma* effect when determining compliance of other transactions (including the incurrence of Indebtedness and Liens unrelated to such Limited Condition Transaction) that are consummated after the Transaction Agreement Date and on or prior to the consummation of such Limited Condition Transaction and any such transactions (including any incurrence of Indebtedness and the use of proceeds thereof and Liens) will be deemed to have occurred on the Transaction Agreement Date and be outstanding thereafter for purposes of calculating any baskets or ratios under this Indenture after the Transaction Agreement Date and before the date of consummation of such Limited Condition Transaction and (f) Consolidated Interest Expense and Fixed Charges for purposes of the Fixed Charge Coverage Ratio will be calculated using an assumed interest rate based on the indicative interest margin (without giving effect to any step-ups) contained in any financing commitment documentation with respect to such Indebtedness or, if no such indicative interest margin exists, as reasonably determined by the Testing Party in good faith. In addition, compliance with any requirement relating to absence of Default or Event of Default may be determined as of the Transaction Agreement Date and not as of any later date as would otherwise be required hereunder, except as contemplated by clause (c) of the immediately preceding sentence.

(b) Notwithstanding anything to the contrary, in connection with a Testing Party's election to use a Transaction Agreement Date in connection with a Limited Condition Transaction, any reference to "date of incurrence, "time of incurrence," "date of determination" or other similar phrases with respect to the date or time an action is taken or when a calculation with respect to taking such action is made herein will mean the Transaction Agreement Date.

(c) In the event an item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) is incurred or issued, any Lien is incurred or other transaction is undertaken on the same date that any other item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) is incurred or issued, any other Lien is incurred or other transaction is undertaken, then the Fixed Charge Coverage Ratio, Total Net Leverage Ratio and Senior Secured Net Leverage Ratio will be calculated with respect to such incurrence, issuance or other transaction without regard to any other incurrence, issuance or transaction. Each item of Indebtedness, Disqualified Stock or Preferred Stock that is incurred or issued, each Lien incurred and each other transaction undertaken will be deemed to have been incurred, issued or taken first, to the extent available, pursuant to the relevant Fixed Charge Coverage Ratio, Total Net Leverage Ratio and Senior Secured Net Leverage Ratio. In the event Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) is incurred or issued, any Lien is incurred or other transaction is undertaken in reliance on any ratio-based basket such action will be deemed incurred under the ratio-based portion of such basket and shall not utilize any dollar-based portion of such basket.

(d) Any action (including the incurrence or issuance of Indebtedness, Disqualified Stock or Preferred Stock, the incurrence of Lien incurred, the making of an Asset Sale, Restricted Payment or Investment and each other transaction undertaken) that is incurred, issued or taken pursuant to a basket based on Run-Rate Adjusted EBITDA will be deemed incurred under the basket based onRun-Rate Adjusted EBITDA and shall not utilize any dollar-based portion of such basket.

(e) To the extent the date of delivery of any document required to be delivered pursuant to any provision of this Indenture falls on a day that is not a Business Day, the applicable date of delivery shall be deemed to be the next succeeding Business Day.

(f) For purposes of determining the maturity date of any Indebtedness, customary bridge loans, extendable bridge loans or other interim debt subject to customary conditions that would be extended as, converted into or required to be exchanged for permanent refinancing either automatically or subject to customary conditions (including no payment or bankruptcy event of default) shall be deemed to have the maturity date as so extended, converted or exchanged.

(g) For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment but giving effect to any returns or distributions of capital or repayment of principal actually received in cash by such Person with respect thereto.

(h) Notwithstanding anything to the contrary herein, so long as an action was taken (or not taken) in reliance upon a basket, ratio or financial metric that was calculated or determined in good faith by a responsible financial or accounting officer of the Issuer or any Parent Company of the Issuer based upon financial information available to such officer at such time and such action (or inaction) was permitted under this Indenture at the time of such calculation or determination, any subsequent restatement, modification or adjustments made to such financial information (including any restatement, modification or adjustment that would have caused such basket or ratio to be exceeded as a result of such action or inaction) shall not result in any Default or Event of Default.

The Bank Administrative Agent may grant extensions of time under the Senior Credit Agreement. To the extent the Bank Administrative Agent grants such extensions, such extension will be automatically granted under this Indenture.

ARTICLE II

THE NOTES

SECTION 2.01. Form and Dating; Terms.

(a) General. The Notes and the Trustee's certificate of authentication shall be substantially in the form of Exhibit A attached hereto. The Notes may have notations, legends or endorsements required by law, stock exchange rules or usage. Each Note shall be dated the date of its authentication. The Notes shall be issued initially in minimum denominations of $2,000 and any integral multiple of $1,000 in excess of $2,000.

(b) Global Notes. Notes issued in global form shall be substantially in the form of Exhibit A attached hereto (including the Global Note Legend thereon and the "Schedule of Exchanges of Interests in the Global Note" attached thereto). Notes issued in definitive form shall be substantially in the form of Exhibit A attached hereto (but without the Global Note Legend thereon and without the "Schedule of Exchanges of Interests in the Global Note" attached thereto). Each Global Note shall represent such of the outstanding Notes as shall be specified in the "Schedule of Exchanges of Interests in the Global Note" attached thereto and each shall provide that it shall represent up to the aggregate principal amount of Notes from time to time endorsed thereon and that the aggregate principal amount of outstanding Notes represented thereby may from time to time be reduced or increased, as applicable, to reflect exchanges and redemptions. Any endorsement of a Global Note to reflect the amount of any increase or decrease in the aggregate principal amount of outstanding Notes represented thereby shall be made by the Trustee or the Custodian, at the direction of the Trustee, in accordance with instructions given by the Holder thereof as required by Section 2.06 hereof.

(c) Temporary Global Notes. Notes offered and sold in reliance on Regulation S shall be issued initially in the form of the Regulation S Temporary Global Note, which shall be deposited on behalf of the purchasers of the Notes represented thereby with the Custodian and registered in the name of the Depositary or the nominee of the Depositary for the accounts of designated agents holding on behalf of Euroclear or Clearstream, duly executed by the Issuer and authenticated by the Trustee as hereinafter provided.

Following (i) the termination of the applicable Restricted Period and (ii) the receipt by the Trustee of (A) a certification or other evidence in a form reasonably acceptable to the Issuer of non-United States beneficial ownership of 100% of the aggregate principal amount of each Regulation S Temporary Global Note (except to the extent of any beneficial owners thereof who acquired an interest therein during the Restricted Period pursuant to another exemption from registration under the Securities Act and who shall take delivery of a beneficial ownership interest in a 144A Global Note or an IAI Global Note bearing a Private Placement Legend, all as contemplated by Section 2.06(b) hereof) and (B) an Officer's Certificate from the Issuer, the Trustee shall remove the Regulation S Temporary Global Note Legend from the Regulation S Temporary Global Note, following which temporary beneficial interests in the Regulation S Temporary Global Note shall automatically become beneficial interests in the Regulation S Permanent Global Note pursuant to the Applicable Procedures.

The aggregate principal amount of a Regulation S Temporary Global Note and a Regulation S Permanent Global Note may from time to time be increased or decreased by adjustments made on the records of the Trustee and the Depositary or its nominee, as the case may be, in connection with transfers of interest as hereinafter provided.

(d) Terms. The aggregate principal amount of Notes that may be authenticated and delivered under this Indenture is unlimited.

The terms and provisions contained in the Notes shall constitute, and are hereby expressly made, a part of this Indenture and the Issuer and the Trustee, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby. However, to the extent any provision of any Note conflicts with the express provisions of this Indenture, the provisions of this Indenture shall govern and be controlling.

The Notes shall be subject to repurchase by the Issuer pursuant to an Asset Sale Offer as provided in Section 4.10 or a Change of Control Offer as provided in Section 4.14. The Notes shall not be redeemable, other than as provided in Article III hereof.

Additional Notes ranking pari passu with the Initial Notes may be created and issued from time to time by the Issuer without notice to or consent of the Holders and shall be consolidated with and form a single class with the Initial Notes and shall have the same terms as to status, redemption or otherwise as the Initial Notes except that interest may accrue on the Additional Notes from their date of issuance (or such other date specified by the Issuer); *provided* that the Issuer's ability to issue Additional Notes shall be subject to the Issuer's compliance with Section 4.09 and that a separate CUSIP or ISIN will be issued for Additional Notes, unless the Initial Notes and Additional Notes are treated as fungible, for U.S. federal income tax purposes, with the Initial Notes or any other Additional Notes bearing the same CUSIP or ISIN. Any Additional Notes shall be issued with the benefit of an indenture supplemental to this Indenture.

(e) Euroclear and Clearstream Applicable Procedures. The provisions of the "Operating Procedures of the Euroclear System" and "Terms and Conditions Governing Use of Euroclear" and the "General Terms and Conditions of Clearstream Banking" and "Customer Handbook" of Clearstream shall be applicable to transfers of beneficial interests in the Regulation S Temporary Global Note and the Regulation S Permanent Global Notes that are held by Participants through Euroclear or Clearstream and this Indenture shall not govern such transfers.

SECTION 2.02. Execution and Authentication. At least one Officer shall execute the Notes on behalf of the Issuer by manual, facsimile or electronic (in ".pdf" format) signature.

If an Officer whose signature is on a Note no longer holds that office at the time the Trustee authenticates the Note, the Note shall nevertheless be valid.

A Note shall not be entitled to any benefit under this Indenture or be valid or obligatory for any purpose until authenticated substantially in the form of Exhibit A attached hereto, by the manual signature of the Trustee. The signature shall be conclusive evidence that the Note has been duly authenticated and delivered under this Indenture.

On the Issue Date, the Trustee shall, upon receipt of an Issuer's Order (an "Authentication Order"), authenticate and deliver the Initial Notes in the aggregate principal amount or amounts specified in such Authentication Order. In addition, at any time, from time to time, the Trustee shall, upon receipt of an Authentication Order, authenticate and deliver any Additional Notes for an aggregate principal amount specified in such Authentication Order for such Additional Notes issued or increased hereunder.

The Trustee may appoint an authenticating agent acceptable to the Issuer to authenticate Notes. An authenticating agent may authenticate Notes whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent. An authenticating agent has the same rights as an Agent to deal with Holders or an Affiliate of the Issuer.

SECTION 2.03. Registrar, Transfer Agent and Paying Agent. The Issuer shall maintain (i) an office or agency where Notes may be presented for registration ("Registrar") (ii) an office or agency where Notes may be presented for transfer or for exchange ("Transfer Agent") and (iii) an office or agency where Notes may be presented for payment ("Paying Agent"). The Registrar shall keep a register of the Notes ("Note Register") and of their transfer and exchange. The registered Holder will be treated as the owner of the Note for all purposes. Only registered Holders will have rights under this Indenture and the Notes. The Issuer may appoint one or more co-registrars, one or more co-transfer agents and one or more additional paying agents. The term "Registrar" includes any co-registrar, the term "Transfer Agent" includes any co-transfer agent and the term "Paying Agent" includes any additional paying agents. The Issuer may change any Paying Agent, Transfer Agent or Registrar without prior notice to any Holder. The Issuer shall notify the Trustee in writing of the name and address of any Agent not a party to this Indenture. If the Issuer fails to appoint or maintain another entity as Registrar, Transfer Agent or Paying Agent, the Trustee shall act as such. The Issuer or any of its Subsidiaries may act as Paying Agent, Transfer Agent or Registrar.

The Issuer initially appoints The Depository Trust Company ("DTC") to act as Depositary with respect to the Global Notes.

The Issuer initially appoints the Trustee to act as the Paying Agent, Transfer Agent and Registrar for the Notes and to act as Custodian with respect to the Global Notes.

If any Notes are listed on an exchange, for so long as the Notes are so listed and the rules of such exchange so require, the Issuer will satisfy any requirement of such exchange as to paying agents, registrars and transfer agents and will comply with any notice requirements required under such exchange in connection with any change of any paying agent, registrar or transfer agent.

SECTION 2.04. Paying Agent to Hold Money in Trust. The Issuer shall require each Paying Agent other than the Trustee to agree in writing that the Paying Agent shall hold in trust for the benefit of Holders or the Trustee all money held by the Paying Agent for the payment of principal, premium, if any, or interest on the Notes, and will notify the Trustee of any default by the Issuer in making any such payment. While any such default continues, the Trustee may require a Paying Agent to pay all money held by it to the Trustee for its own benefit and for the benefit of the Holders. The Issuer at any time may require a Paying Agent to pay all money held by it to the Trustee for its own benefit and for the benefit of the Holders. Upon payment over to the Trustee, the Paying Agent (if other than the Issuer or a Subsidiary or the Trustee) shall have no further liability for the money. If the Issuer or a Subsidiary acts as Paying Agent, it shall segregate and hold in a separate trust fund for the benefit of the Holders all money held by it as Paying Agent. Upon any bankruptcy or reorganization proceedings relating to the Issuer, the Trustee shall serve as Paying Agent for the Notes.

SECTION 2.05. Holder Lists. The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of all Holders. If the Trustee is not the Registrar, the Issuer shall furnish to the Trustee at least two Business Days before each Interest Payment Date and at such other times as the Trustee may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of the Holders.

SECTION 2.06. Transfer and Exchange.

(a) Transfer and Exchange of Global Notes. Except as otherwise set forth in this Section 2.06, a Global Note may be transferred, in whole and not in part, only to another nominee of the Depositary or to a successor thereto or a nominee of such successor thereto. A beneficial interest in a Global Note may not be exchanged for a Definitive Note of the same series unless (i) the Depositary (x) notifies the Issuer that it is unwilling or unable to continue as Depositary for such Global Note or (y) has ceased to be a clearing agency registered under the Exchange Act, and, in either case, a successor Depositary is not appointed by the Issuer within 90 days, (ii) the Issuer, at its option, notifies the Trustee in writing that it elects to cause the issuance of Definitive Notes and any Participant requests a Definitive Note in accordance with the Applicable Procedures (although Regulation S Temporary Global Notes at the Issuer's election pursuant to this clause may not be exchanged for Definitive Notes other than pursuant to Rule 903(b)(3)(ii)(B) of Regulation S) or (iii) upon the request of a Holder if there shall have occurred and be continuing an Event of Default with respect to the Notes. Upon the occurrence of any of the events in clauses (i), (ii) or (iii) above, Definitive Notes delivered in exchange for any Global Note of the same series or beneficial interests therein will be registered in the names, and issued in any approved denominations, requested by or on behalf of the Depositary (in accordance with its customary procedures). Global Notes also may be exchanged or replaced, in whole or in part, as provided in Sections 2.07 and 2.10 hereof. Every Note authenticated and delivered in exchange for, or in lieu of, a Global Note of the same series or any portion thereof, pursuant to this Section 2.06 or Sections 2.07 or 2.10 hereof, shall be authenticated and delivered

in the form of, and shall be, a Global Note, except for Definitive Notes issued subsequent to any of the events in (i), (ii) or (iii) above and pursuant to Section 2.06(c) hereof. A Global Note may not be exchanged for another Note other than as provided in this Section 2.06(a); *provided, however*, beneficial interests in a Global Note may be transferred and exchanged as provided in Section 2.06(b), (c) or (f) hereof.

(b) Transfer and Exchange of Beneficial Interests in the Global Notes The transfer and exchange of beneficial interests in the Global Notes shall be effected through the Depositary in accordance with the provisions of this Indenture and the Applicable Procedures. Beneficial interests in the Restricted Global Notes shall be subject to restrictions on transfer comparable to those set forth herein to the extent required by the Securities Act. Transfers of beneficial interests in the Global Notes also shall require compliance with either subparagraph (i) or (ii) below, as applicable, as well as one or more of the other following subparagraphs, as applicable:

(i) Transfer of Beneficial Interests in the Same Global Note Beneficial interests in any Restricted Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in the same Restricted Global Note in accordance with the transfer restrictions set forth in the Private Placement Legend; *provided* that prior to the expiration of the Restricted Period, transfers of beneficial interests in the Regulation S Temporary Global Note may not be made to a U.S. Person or for the account or benefit of a U.S. Person other than pursuant to Rule 144A or another available exemption from the registration requirements of the Securities Act. Beneficial interests in any Unrestricted Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note. No written orders or instructions shall be required to be delivered to the Registrar to effect the transfers described in this Section 2.06(b)(i).

(ii) All Other Transfers and Exchanges of Beneficial Interests in Global Notes In connection with all transfers and exchanges of beneficial interests that are not subject to Section 2.06(b)(i) hereof, the transferor of such beneficial interest must deliver to the Registrar either (A) (1) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to credit or cause to be credited a beneficial interest in another Global Note in an amount equal to the beneficial interest to be transferred or exchanged and (2) instructions given in accordance with the Applicable Procedures containing information regarding the Participant account to be credited with such increase or (B) (1) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to cause to be issued a Definitive Note of the same series in an amount equal to the beneficial interest to be transferred or exchanged and (2) instructions given by the Depositary to the Registrar containing information regarding the Person in whose name such Definitive Note shall be registered to effect the transfer or exchange referred to in (1) above; *provided* that in no event shall Definitive Notes be issued upon the transfer or exchange of beneficial interests in the Regulation S Temporary Global Note prior to (x) the expiration of the Restricted Period therefor and (y) the receipt by the Registrar of any certificates required pursuant to Rule 903(b)(3)(ii)(B). Upon satisfaction of all of the requirements for transfer or exchange of beneficial interests in Global Notes contained in this Indenture and the Notes or otherwise applicable under the Securities Act, the Trustee shall adjust the principal amount of the relevant Global Note(s) pursuant to Section 2.06(h) hereof.

(iii) Transfer of Beneficial Interests to Another Restricted Global Note. A beneficial interest in any Restricted Global Note may be transferred to a Person who takes delivery thereof in the form of a beneficial interest in another Restricted Global Note if the transfer complies with the requirements of Section 2.06(b)(ii) hereof and the Registrar receives the following:

(A) if the transferee will take delivery in the form of a beneficial interest in the 144A Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (1) thereof;

(B) if the transferee will take delivery in the form of a beneficial interest in the Regulation S Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (2) thereof; or

(C) if the transferee will take delivery in the form of a beneficial interest in the IAI Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (3) thereof, and the transferee must furnish to the Registrar a signed letter substantially in the form of Exhibit E.

(iv) Transfer and Exchange of Beneficial Interests in a Restricted Global Note for Beneficial Interests in an Unrestricted Global Note. A beneficial interest in any Restricted Global Note may be exchanged by any holder thereof for a beneficial interest in an Unrestricted Global Note or transferred to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note if the exchange or transfer complies with the requirements of Section 2.06(b)(ii) hereof and:

(A) [Reserved];

(B) [Reserved];

(C) [Reserved];

(D) the Registrar receives the following:

(1) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a beneficial interest in an Unrestricted Global Note of the same series, a certificate from such Holder substantially in the form of Exhibit C hereto, including the certifications in item (1)(a) thereof; or

(2) if the holder of such beneficial interest in a Restricted Global Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note of the same series, a certificate from such holder in the form of Exhibit B hereto, including the certifications in item (5) thereof;

and, in each such case set forth in this subparagraph (D), if the Registrar or the Issuer so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Issuer to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

If any such transfer is effected pursuant to subparagraph (D) above at a time when an Unrestricted Global Note has not yet been issued, the Issuer shall issue and, upon receipt of an Authentication Order in accordance with Section 2.02 hereof, the Trustee shall authenticate one or more Unrestricted Global Notes in an aggregate principal amount equal to the aggregate principal amount of beneficial interests transferred pursuant to subparagraph (D) above.

Beneficial interests in an Unrestricted Global Note cannot be exchanged for, or transferred to Persons who take delivery thereof in the form of, a beneficial interest in a Restricted Global Note.

(c) Transfer or Exchange of Beneficial Interests for Definitive Notes

(i) Beneficial Interests in Restricted Global Notes to Restricted Definitive Notes If any holder of a beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Restricted Definitive Note or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Restricted Definitive Note, then, upon the occurrence of any of the events in clauses (i), (ii) and (iii) of Section 2.06(a) hereof and receipt by the Registrar of the following documentation:

(A) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Restricted Definitive Note, a certificate from such holder substantially in the form of Exhibit C hereto, including the certifications in item (2)(a) thereof;

(B) if such beneficial interest is being transferred to a QIB in accordance with Rule 144A, a certificate substantially in the form of Exhibit B hereto, including the certifications in item (1) thereof;

(C) if such beneficial interest is being transferred to aNon-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904, a certificate substantially in the form of Exhibit B hereto, including the certifications in item (2) thereof;

(D) if the transferee will take delivery in the form of a beneficial interest in the IAI Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (3) thereof, and the transferee must furnish to the Registrar a signed letter substantially in the form of Exhibit E;

(E) if such beneficial interest is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144, a certificate substantially in the form of Exhibit B hereto, including the certifications in item (4)(a) thereof; or

(F) if such beneficial interest is being transferred to the Issuer or any of its Subsidiaries, a certificate substantially in the form of Exhibit B hereto, including the certifications in item (4)(b) thereof;

the Trustee shall cause the aggregate principal amount of the applicable Global Note to be reduced accordingly pursuant to Section 2.06(h) hereof, and the Issuer shall execute and the Trustee shall authenticate and mail to the Person designated in the instructions a Definitive Note in the applicable principal amount. Any Definitive Note issued in exchange for a beneficial interest in a Restricted Global Note pursuant to this Section 2.06(c) shall be registered in such name or names and in such authorized denomination or denominations as the holder of such beneficial interest shall instruct the Registrar through instructions from the Depositary and the Participant or Indirect Participant. The Trustee shall mail such Definitive Notes to the Persons in whose names such Notes are so registered. Any Definitive Note issued in exchange for a beneficial interest in a Restricted Global Note pursuant to this Section 2.06(c)(i) shall bear the Private Placement Legend and shall be subject to all restrictions on transfer contained therein.

(ii) Beneficial Interests in Regulation S Temporary Global Note to Definitive Notes. Notwithstanding Sections 2.06(c)(i)(A) and (C) hereof, a beneficial interest in the Regulation S Temporary Global Note may not be exchanged for a Definitive Note or transferred to a Person who takes delivery thereof in the form of a Definitive Note prior to (A) the expiration of the Restricted Period and (B) the receipt by the Registrar of any certificates required pursuant to Rule 903(b)(3)(ii)(B) of the Securities Act, except in the case of a transfer pursuant to an exemption from the registration requirements of the Securities Act other than Rule 903 or Rule 904.

(iii) Beneficial Interests in Restricted Global Notes to Unrestricted Definitive Notes. A holder of a beneficial interest in a Restricted Global Note may exchange such beneficial interest for an Unrestricted Definitive Note or may transfer such beneficial interest to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note only upon the occurrence of any of the events in clause (i) of Section 2.06(a) hereof and if:

(A) [Reserved];

(B) [Reserved];

(C) [Reserved];

(D) the Registrar receives the following:

(1) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for an Unrestricted Definitive Note, a certificate from such holder substantially in the form of Exhibit C hereto, including the certifications in item (1) (b) thereof; or

(2) if the holder of such beneficial interest in a Restricted Global Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of an Unrestricted Definitive Note, a certificate from such holder substantially in the form of Exhibit B hereto, including the certifications in item (5) thereof;

and, in each such case set forth in this subparagraph (D), if the Registrar or the Issuer so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Issuer to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

(iv) Beneficial Interests in Unrestricted Global Notes to Unrestricted Definitive Notes If any holder of a beneficial interest in an Unrestricted Global Note proposes to exchange such beneficial interest for a Definitive Note or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Definitive Note, then, upon the occurrence of any of the events in clauses (i), (ii) and (iii) of Section 2.06(a) hereof and satisfaction of the conditions set forth in Section 2.06(b)(ii) hereof, the Trustee shall cause the aggregate principal amount of the applicable Global Note to be reduced accordingly pursuant to Section 2.06(h) hereof, and the Issuer shall execute and the Trustee shall authenticate and mail to the Person designated in the instructions a Definitive Note in the applicable principal amount. Any Definitive Note issued in exchange for a beneficial interest pursuant to this Section 2.06(c)(iv) shall be registered in such name or names and in such authorized denomination or denominations as the holder of such beneficial interest shall instruct the Registrar through instructions from or through the Depositary and the Participant or Indirect Participant. The Trustee shall mail such Definitive Notes to the Persons in whose names such Notes are so registered. Any Definitive Note issued in exchange for a beneficial interest pursuant to this Section 2.06(c)(iv) shall not bear the Private Placement Legend.

(d) Transfer and Exchange of Definitive Notes for Beneficial Interests

(i) Restricted Definitive Notes to Beneficial Interests in Restricted Global Notes If any Holder of a Restricted Definitive Note proposes to exchange such Note for a beneficial interest in a Restricted Global Note or to transfer such Restricted Definitive Note to a Person who takes delivery thereof in the form of a beneficial interest in a Restricted Global Note, then, upon receipt by the Registrar of the following documentation:

(A) if the Holder of such Restricted Definitive Note proposes to exchange such Note for a beneficial interest in a Restricted Global Note, a certificate from such Holder substantially in the form of Exhibit C hereto, including the certifications in item (2)(b) thereof;

(B) if such Restricted Definitive Note is being transferred to a QIB in accordance with Rule 144A, a certificate substantially in the form of Exhibit B hereto, including the certifications in item (1) thereof;

(C) if such Restricted Definitive Note is being transferred to aNon-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904, a certificate substantially in the form of Exhibit B hereto, including the certifications in item (2) thereof;

(D) if the transferee will take delivery in the form of a beneficial interest in the IAI Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (3) thereof, and the transferee must furnish to the Registrar a signed letter substantially in the form of Exhibit E;

(E) if such Restricted Definitive Note is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144, a certificate substantially in the form of Exhibit B hereto, including the certifications in item (4)(a) thereof; or

(F) if such Restricted Definitive Note is being transferred to the Issuer or any of its Subsidiaries, a certificate substantially in the form of Exhibit B hereto, including the certifications in item (4)(b) thereof;

the Trustee shall cancel the Restricted Definitive Note and increase or cause to be increased the aggregate principal amount of, in the case of clause (A) above, the applicable Restricted Global Note, in the case of clause (B) above, the applicable 144A Global Note, in the case of clause (C) above, the applicable Regulation S Global Note and, in the case of clause (D) above, the applicable IAI Global Note.

(ii) Restricted Definitive Notes to Beneficial Interests in Unrestricted Global Notes A Holder of a Restricted Definitive Note may exchange such Note for a beneficial interest in an Unrestricted Global Note or transfer such Restricted Definitive Note to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note only if:

(A) [Reserved];

(B) [Reserved];

(C) [Reserved];

(D) the Registrar receives the following:

(1) if the Holder of such Definitive Notes proposes to exchange such Notes for a beneficial interest in the Unrestricted Global Note, a certificate from such Holder substantially in the form of Exhibit C hereto, including the certifications in item (1)(c) thereof; or

(2) if the Holder of such Definitive Notes proposes to transfer such Notes to a Person who shall take delivery thereof in the form of a beneficial interest in the Unrestricted Global Note, a certificate from such Holder substantially in the form of Exhibit B hereto, including the certifications in item (5) thereof;

and, in each such case set forth in this subparagraph (D), if the Registrar or the Issuer so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Issuer to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

Upon satisfaction of the conditions of any of the subparagraphs in this Section 2.06(d)(ii), the Trustee shall cancel the Restricted Definitive Note and increase or cause to be increased the aggregate principal amount of the Unrestricted Global Note.

(iii) Unrestricted Definitive Notes to Beneficial Interests in Unrestricted Global Notes A Holder of an Unrestricted Definitive Note may exchange such Note for a beneficial interest in an Unrestricted Global Note or transfer such Definitive Notes to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note at any time. Upon receipt of a request for such an exchange or transfer, the Trustee shall cancel the applicable Unrestricted Definitive Note and increase or cause to be increased the aggregate principal amount of one of the Unrestricted Global Notes.

If any such exchange or transfer from a Definitive Note to a beneficial interest is effected pursuant tosub-paragraph (ii) or (iii) above at a time when an Unrestricted Global Note has not yet been issued, the Issuer shall issue and, upon receipt of an Authentication Order in accordance with Section 2.02 hereof, the Trustee shall authenticate one or more Unrestricted Global Notes in an aggregate principal amount equal to the principal amount of Definitive Notes so transferred.

(e) Transfer and Exchange of Definitive Notes for Definitive Notes. Upon request by a Holder of Definitive Notes and such Holder's compliance with the provisions of this Section 2.06(e), the Registrar shall register the transfer or exchange of Definitive Notes. Prior to such registration of transfer or exchange, the requesting Holder shall present or surrender to the Registrar the Definitive Notes duly endorsed or accompanied by a written instruction of transfer or exchange in form satisfactory to the Registrar duly executed by such Holder or by its attorney, duly authorized in writing.

In addition, the requesting Holder shall provide any additional certifications, documents and information, as applicable, required pursuant to the following provisions of this Section 2.06(e):

(i) Restricted Definitive Notes to Restricted Definitive Notes. Any Restricted Definitive Note may be transferred to and registered in the name of Persons who take delivery thereof in the form of a Restricted Definitive Note if the Registrar receives the following:

(A) if the transfer will be made to a QIB in accordance with Rule 144A, then the transferor must deliver a certificate substantially in the form of Exhibit B hereto, including the certifications in item (1) thereof;

(B) if the transfer will be made pursuant to Rule 903 or Rule 904, then the transferor must deliver a certificate in the form ofExhibit B hereto, including the certifications in item (2) thereof;

(C) if the transferee will take delivery in the form of a beneficial interest in the IAI Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (3) thereof, and the transferee must furnish to the Registrar a signed letter substantially in the form of Exhibit E; or

(D) if the transfer will be made pursuant to any other exemption from the registration requirements of the Securities Act, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications required by item (4) thereof, if applicable.

(ii) Restricted Definitive Notes to Unrestricted Definitive Notes. Any Restricted Definitive Note may be exchanged by the Holder thereof for an Unrestricted Definitive Note or transferred to a Person or Persons who take delivery thereof in the form of an Unrestricted Definitive Note if:

(A) [Reserved];

(B) [Reserved];

(C) [Reserved];

(D) the Registrar receives the following:

(1) if the Holder of such Restricted Definitive Notes proposes to exchange such Notes for an Unrestricted Definitive Note, a certificate from such Holder substantially in the form of Exhibit C hereto, including the certifications in item (1)(d) thereof; or

(2) if the Holder of such Restricted Definitive Notes proposes to transfer such Notes to a Person who shall take delivery thereof in the form of an Unrestricted Definitive Note, a certificate from such Holder substantially in the form of Exhibit B hereto, including the certifications in item (5) thereof;

and, in each such case set forth in this subparagraph (D), if the Registrar or the Issuer so requests, an Opinion of Counsel in form reasonably acceptable to the Issuer to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

(iii) Unrestricted Definitive Notes to Unrestricted Definitive Notes. A Holder of Unrestricted Definitive Notes may transfer such Notes to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note. Upon receipt of a request to register such a transfer, the Registrar shall register the Unrestricted Definitive Notes pursuant to the instructions from the Holder thereof.

(f) [Reserved].

(g) Legends. The following legends shall appear on the face of all Global Notes and Definitive Notes issued under this Indenture unless specifically stated otherwise in the applicable provisions of this Indenture:

(i) Private Placement Legend.

(A) Except as permitted by subparagraph (B) below, each Global Note and each Definitive Note (and all Notes issued in exchange therefor or substitution thereof) shall bear the legend in substantially the following form:

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS NOTE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION. THE HOLDER OF THIS NOTE, BY ITS ACCEPTANCE HEREOF, AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR ACCOUNT FOR WHICH IT HAS PURCHASED NOTES, TO OFFER, SELL OR OTHERWISE TRANSFER SUCH NOTE, PRIOR TO THE DATE (THE "RESALE RESTRICTION TERMINATION DATE") THAT IS [IN THE CASE OF RULE 144A NOTES: ONE YEAR AFTER THE LATER OF THE ORIGINAL ISSUE DATE

HEREOF, THE ORIGINAL ISSUE DATE OF THE ISSUANCE OF ANY ADDITIONAL NOTES AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS NOTE (OR ANY PREDECESSOR OF SUCH SECURITY)] [IN THE CASE OF REGULATION S NOTES: 40 DAYS AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE DATE ON WHICH THIS NOTE (OR ANY PREDECESSOR OF SUCH NOTE) WAS FIRST OFFERED TO PERSONS OTHER THAN DISTRIBUTORS (AS DEFINED IN RULE 902 OF REGULATION S UNDER THE SECURITIES ACT ("REGULATION S")) IN RELIANCE ON REGULATION S], ONLY (A) TO THE ISSUER OR ANY SUBSIDIARY THEREOF, (B) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT ("RULE 144A"), TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES TO NON-U.S. PERSONS THAT OCCUR OUTSIDE THE UNITED STATES WITHIN THE MEANING OF REGULATION S, (E) TO AN INSTITUTIONAL "ACCREDITED INVESTOR" WITHIN THE MEANING OF RULE 501(a)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT THAT IS NOT A QUALIFIED INSTITUTIONAL BUYER AND THAT IS PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ANOTHER INSTITUTIONAL ACCREDITED INVESTOR, IN EACH CASE IN A MINIMUM PRINCIPAL AMOUNT OF SECURITIES OR (F) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT TO THE ISSUER'S AND THE TRUSTEE'S RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSE (C), (D), (E) OR (F) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/ OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER AFTER THE RESALE RESTRICTION TERMINATION DATE. [IN THE CASE OF REGULATION S NOTES: BY ITS ACQUISITION HEREOF, THE HOLDER HEREOF REPRESENTS THAT IT IS NOT A U.S. PERSON NOR IS IT PURCHASING FOR THE ACCOUNT OF A U.S. PERSON AND IS ACQUIRING THIS NOTE IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH REGULATION S.]

BY ITS ACQUISITION OF THIS NOTE, THE HOLDER THEREOF WILL BE DEEMED TO HAVE REPRESENTED AND WARRANTED THAT EITHER (1) NO PORTION OF THE ASSETS USED BY SUCH HOLDER TO ACQUIRE OR HOLD THIS NOTE CONSTITUTES THE ASSETS OF AN EMPLOYEE BENEFIT PLAN THAT IS SUBJECT TO TITLE I OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), A PLAN, INDIVIDUAL RETIREMENT ACCOUNT OR OTHER ARRANGEMENT THAT IS SUBJECT TO

SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE") OR PROVISIONS UNDER ANY OTHER FEDERAL, STATE, LOCAL, NON-U.S. OR OTHER LAWS OR REGULATIONS THAT ARE SIMILAR TO SUCH PROVISIONS OF ERISA OR THE CODE (COLLECTIVELY, "SIMILAR LAWS"), OR OF AN ENTITY WHOSE UNDERLYING ASSETS ARE CONSIDERED TO INCLUDE "PLAN ASSETS" OF ANY SUCH EMPLOYEE BENEFIT PLAN, PLAN, ACCOUNT OR ARRANGEMENT, OR (2) THE ACQUISITION AND HOLDING OF THIS NOTE BY SUCH HOLDER WILL NOT CONSTITUTE A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR A VIOLATION UNDER ANY APPLICABLE SIMILAR LAW, AND NONE OF THE ISSUER, ANY INITIAL PURCHASER, ANY GUARANTOR OR ANY OF THEIR RESPECTIVE AFFILIATES IS ACTING AS ITS FIDUCIARY, OR IS BEING RELIED UPON BY IT FOR ANY INVESTMENT ADVICE, WITH RESPECT TO THE DECISION TO ACQUIRE AND HOLD THIS NOTE.

(B) Notwithstanding the foregoing, any Global Note or Definitive Note issued pursuant to subparagraphs (b)(iv), (c)(iii), (c)(iv), (d)(ii), (d)(iii), (e)(ii), (e)(iii) or (f) of this Section 2.06 (and all Notes issued in exchange therefor or substitution thereof) shall not bear the Private Placement Legend.

(ii) Global Note Legend. Each Global Note shall bear a legend in substantially the following form (with appropriate changes in the last sentence if DTC is not the Depositary):

THIS GLOBAL NOTE IS HELD BY THE DEPOSITARY (AS DEFINED IN THE INDENTURE GOVERNING THIS NOTE) OR ITS NOMINEE IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF, AND IS NOT TRANSFERABLE TO ANY PERSON UNDER ANY CIRCUMSTANCES EXCEPT THAT (I) THE TRUSTEE MAY MAKE SUCH NOTATIONS HEREON AS MAY BE REQUIRED PURSUANT TO SECTION 2.06(h) OF THE INDENTURE, (II) THIS GLOBAL NOTE MAY BE EXCHANGED IN WHOLE BUT NOT IN PART PURSUANT TO SECTION 2.06(a) OF THE INDENTURE, (III) THIS GLOBAL NOTE MAY BE DELIVERED TO THE TRUSTEE FOR CANCELLATION PURSUANT TO SECTION 2.11 OF THE INDENTURE AND (IV) THIS GLOBAL NOTE MAY BE TRANSFERRED TO A SUCCESSOR DEPOSITARY WITH THE PRIOR WRITTEN CONSENT OF THE ISSUER. UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR NOTES IN DEFINITIVE FORM, THIS NOTE MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY. UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (55 WATER STREET, NEW YORK, NEW YORK) ("DTC") TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE

OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR SUCH OTHER ENTITY AS MAY BE 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.

(iii) Regulation S Temporary Global Note Legend. The Regulation S Temporary Global Note shall bear a legend in substantially the following form:

THIS NOTE (OR ITS PREDECESSOR) WAS ORIGINALLY ISSUED IN A TRANSACTION ORIGINALLY EXEMPT FROM REGISTRATION UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND MAY NOT BE TRANSFERRED IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON EXCEPT PURSUANT TO AN AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ALL APPLICABLE STATE SECURITIES LAWS. TERMS USED ABOVE HAVE THE MEANINGS GIVEN TO THEM IN REGULATION S UNDER THE SECURITIES ACT. BY ITS ACQUISITION HEREOF, THE HOLDER HEREOF REPRESENTS THAT IT IS NOT A U.S. PERSON NOR IS IT PURCHASING FOR THE ACCOUNT OF A U.S. PERSON AND IS ACQUIRING THIS SECURITY IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT.

(h) Cancellation and/or Adjustment of Global Notes. At such time as all beneficial interests in a particular Global Note have been exchanged for Definitive Notes or a particular Global Note has been redeemed, repurchased or cancelled in whole and not in part, each such Global Note shall be returned to or retained and cancelled by the Trustee in accordance with Section 2.11 hereof. At any time prior to such cancellation, if any beneficial interest in a Global Note is exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note or for Definitive Notes, the principal amount of Notes represented by such Global Note shall be reduced accordingly and an endorsement shall be made on such Global Note by the Trustee or by the Depositary at the direction of the Trustee to reflect such reduction; and if the beneficial interest is being exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note, such other Global Note shall be increased accordingly and an endorsement shall be made on such Global Note by the Trustee or by the Depositary at the direction of the Trustee to reflect such increase.

(i) General Provisions Relating to Transfers and Exchanges.

(i) To permit registrations of transfers and exchanges, the Issuer shall execute and the Trustee shall authenticate Global Notes and Definitive Notes upon receipt of an Authentication Order in accordance with Section 2.02 hereof or at the Registrar's request.

(ii) No service charge shall be made to a holder of a beneficial interest in a Global Note or to a Holder of a Definitive Note for any registration of transfer or exchange, but the Issuer shall require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection therewith (other than any such transfer taxes or similar governmental charge payable upon exchange or transfer pursuant to Sections 2.07, 2.10, 3.06, 3.09, 4.10, 4.14 and 9.05 hereof).

(iii) The Issuer shall not be required (A) to issue, to register the transfer of or to exchange any Notes during a period beginning at the opening of business 15 days before the mailing of a notice of redemption of the Notes to be redeemed under Section 3.03 hereof and ending at the close of business on the day of such mailing, (B) to register the transfer of or to exchange any Note so selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part, (C) to register the transfer of or to exchange a Note between a Record Date and the next succeeding Interest Payment Date or (D) to register the transfer of or to exchange any Notes tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer, Alternate Offer or an Asset Sale Offer.

(iv) Neither the Registrar nor the Issuer shall be required to register the transfer of or exchange any Note selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part.

(v) All Global Notes and Definitive Notes issued upon any registration of transfer or exchange of Global Notes or Definitive Notes shall be the valid obligations of the Issuer, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Global Notes or Definitive Notes surrendered upon such registration of transfer or exchange.

(vi) Prior to due presentment for the registration of a transfer of any Note, the Trustee, any Agent and the Issuer shall deem and treat the Person in whose name any Note is registered as the absolute owner of such Note for the purpose of receiving payment of principal of (and premium, if any) and interest on such Notes and for all other purposes, and none of the Trustee, any Agent or the Issuer shall be affected by notice to the contrary.

(vii) Upon surrender for registration of transfer of any Note at the office or agency of the Issuer designated pursuant to Section 4.02 hereof, the Issuer shall execute, and the Trustee shall authenticate and mail, in the name of the designated transferee or transferees, one or more replacement Notes of any authorized denomination or denominations of a like aggregate principal amount.

(viii) At the option of the Holder, subject to Section 2.06(a) hereof, Notes may be exchanged for other Notes of any authorized denomination or denominations of a like aggregate principal amount upon surrender of the Notes to be exchanged at such office or agency. Whenever any Global Notes or Definitive Notes are so surrendered for exchange, the Issuer shall execute, and the Trustee shall authenticate and mail, the replacement Global Notes and Definitive Notes to which the Holder making the exchange is entitled in accordance with the provisions of Section 2.02 hereof.

(ix) All certifications, certificates and Opinions of Counsel required to be submitted to the Issuer pursuant to this Section 2.06 to effect a registration of transfer or exchange may be submitted by facsimile or electronically (in ".pdf" format).

(x) The Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture or under applicable law with respect to any transfer of any interest in any Note (including any transfers between or among Depositary Participants or beneficial owners of interests in any Global Notes) other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by the terms of, this Indenture, and to examine the same to determine substantial compliance as to form with the express requirements hereof.

(xi) Neither the Trustee nor any Agent shall have any responsibility or liability for any actions taken or not taken by the Depositary.

SECTION 2.07. Replacement Notes. If either (x) any mutilated Note is surrendered to the Trustee, the Registrar or the Issuer or (y) if the Issuer and the Trustee receive evidence to their satisfaction of the ownership and destruction, loss or theft of any Note, then the Issuer shall issue and the Trustee, upon receipt of an Authentication Order, shall authenticate a replacement Note. An indemnity bond must be supplied by the Holder that is sufficient in the judgment of the Trustee and the Issuer to protect the Issuer, the Trustee, any Agent and any authenticating agent from any loss that any of them may suffer if a Note is replaced. The Issuer and the Trustee shall charge the Holder for their expenses in replacing a Note.

Every replacement Note is a contractual obligation of the Issuer and shall be entitled to all of the benefits of this Indenture equally and proportionately with all other Notes duly issued hereunder.

SECTION 2.08. Outstanding Notes. The Notes outstanding at any time are all the Notes authenticated by the Trustee except for those cancelled by it, those delivered to it for cancellation, those reductions in the interest in a Global Note effected by the Trustee in accordance with the provisions hereof and those described in this Section 2.08 as not outstanding. Except as set forth in Section 2.09 hereof, a Note does not cease to be outstanding because the Issuer or a Guarantor or an Affiliate of the Issuer or a Guarantor holds the Note.

If a Note is replaced pursuant to Section 2.07 hereof, it ceases to be outstanding unless the Trustee receives proof satisfactory to it that the replaced Note is held by a protected purchaser (as defined in Section 8-303 of the Uniform Commercial Code).

If the principal amount of any Note is considered paid under Section 4.01 hereof, it ceases to be outstanding and interest on it ceases to accrue.

If the Paying Agent (other than the Issuer or a Guarantor or an Affiliate of the Issuer or a Guarantor) holds, on a Redemption Date or maturity date, money sufficient to pay Notes (or portions thereof) payable on that date, then on and after that date such Notes (or portions thereof) shall be deemed to be no longer outstanding and shall cease to accrue interest.

SECTION 2.09. Treasury Notes. In determining whether the Holders of the required principal amount of Notes have concurred in any direction, waiver or consent, Notes owned by the Issuer or a Guarantor or by any Affiliate of the Issuer or a Guarantor, shall be considered as though not outstanding, except that for the purposes of determining whether the Trustee shall be protected in relying on any such direction, waiver or consent, only Notes that a Responsible Officer of the Trustee actually knows are so owned shall be so disregarded. Notes so owned which have been pledged in good faith shall not be disregarded if the pledgee establishes to the satisfaction of the Trustee the pledgee's right to deliver any such direction, waiver or consent with respect to such pledged Notes and that the pledgee is not the Issuer or a Guarantor or any Affiliate of the Issuer or a Guarantor.

SECTION 2.10. Temporary Notes. Until certificates representing Notes are ready for delivery, the Issuer may prepare and the Trustee, upon receipt of an Authentication Order, shall authenticate temporary Notes. Temporary Notes shall be substantially in the form of certificated Notes but may have variations that the Issuer considers appropriate for temporary Notes and as shall be reasonably acceptable to the Trustee. Without unreasonable delay, the Issuer shall prepare and the Trustee shall authenticate definitive Notes in exchange for temporary Notes.

Holders and beneficial holders, as the case may be, of temporary Notes shall be entitled to all of the benefits accorded to Holders, or beneficial holders, respectively, of Notes under this Indenture.

SECTION 2.11. Cancellation. The Issuer at any time may deliver Notes to the Trustee for cancellation. The Registrar and Paying Agent shall forward to the Trustee any Notes surrendered to them for registration of transfer, exchange or payment. The Trustee or, at the direction of the Trustee, the Registrar or the Paying Agent and no one else shall cancel all Notes surrendered for registration of transfer, exchange, payment, replacement or cancellation and shall dispose of such cancelled Notes in accordance with its customary procedures (subject to the record retention requirement of the Exchange Act). Certification of the cancellation of all surrendered Notes shall be delivered to the Issuer at the Issuer's written request. The Issuer may not issue new Notes to replace Notes that it has paid or that have been delivered to the Trustee for cancellation.

SECTION 2.12. Defaulted Interest. If the Issuer defaults in a payment of interest on the Notes, it shall pay the defaulted interest in any lawful manner plus, to the extent lawful, interest payable on the defaulted interest, in each case at the rate provided in the Notes and in Section 4.01 hereof. The Issuer may pay the defaulted interest to the Persons who are Holders on a subsequent special record date. The Issuer shall notify the Trustee in writing of the amount of defaulted interest proposed to be paid on each Note and the date of the proposed payment, and at the same time the Issuer shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such defaulted interest or shall make

arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such defaulted interest as provided in this Section 2.12. The Trustee shall fix or cause to be fixed any such special record date and payment date; *provided* that no such special record date shall be less than 10 days prior to the related payment date for such defaulted interest. The Trustee shall promptly notify the Issuer of any such special record date. At least 15 days before any such special record date, the Issuer (or, upon the written request of the Issuer, the Trustee in the name and at the expense of the Issuer) shall mail or cause to be mailed, first-class postage prepaid, or otherwise deliver in accordance with the Applicable Procedures, to each Holder, with a copy to the Trustee, a notice at his or her address as it appears in the Note Register that states the special record date, the related payment date and the amount of such interest to be paid.

Subject to the foregoing provisions of this Section 2.12 and for greater certainty, each Note delivered under this Indenture upon registration of transfer of or in exchange for or in lieu of any other Note shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Note.

SECTION 2.13. CUSIP/ISIN Numbers. The Issuer in issuing the Notes may use CUSIP and ISIN numbers (in each case, if then generally in use) and, if so, the Trustee shall use CUSIP and ISIN numbers in notices of redemption as a convenience to Holders; *provided* that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Notes or as contained in any notice of redemption and that reliance may be placed only on the other identification numbers printed on the Notes, and any such redemption shall not be affected by any defect in or omission of such numbers. The Issuer will as promptly as practicable notify the Trustee in writing of any change in the CUSIP and ISIN numbers.

ARTICLE III

REDEMPTION

SECTION 3.01. Notices to Trustee. If the Issuer elects to redeem the Notes pursuant toSection 3.07 hereof, it shall furnish to the Trustee, at least two Business Days (unless the Trustee agrees to a shorter period) before notice of redemption is required to be delivered to Holders pursuant to Section 3.03 hereof, an Officer's Certificate setting forth (i) the paragraph or subparagraph of such Note and/or Section of this Indenture pursuant to which the redemption shall occur, (ii) the date of redemption, which will be selected by the Issuer in its discretion, subject to any limitations set forth herein (the "Redemption Date"), (iii) the principal amount of the Notes to be redeemed and (iv) the redemption price.

SECTION 3.02. Selection of Notes to Be Redeemed If less than all of the Notes are to be redeemed at any time, the Trustee shall select the Notes to be redeemed (a) if the Notes are listed on an exchange, in compliance with the requirements of such exchange or (b) if the Notes are not listed on an exchange, on a *pro rata* basis to the extent practicable, or, if a*pro rata* basis is not practicable for any reason, by lot or by such other method as the Trustee deems fair and appropriate and otherwise in accordance with the Applicable Procedures. In the event of partial redemption by lot, the particular Notes to be redeemed shall be selected, unless otherwise provided herein, not less than 10 nor more than 90 days prior to the Redemption Date by the Trustee from the outstanding Notes not previously called for redemption.

The Trustee shall promptly notify the Issuer in writing of the Notes selected for redemption and, in the case of any Note selected for partial redemption, the principal amount thereof to be redeemed. No Notes of $2,000 or less can be redeemed in part, except that if all of the Notes of a Holder are to be redeemed, the entire outstanding amount of Notes held by such Holder shall be redeemed. Except as provided in the preceding sentence, provisions of this Indenture that apply to Notes called for redemption also apply to portions of Notes called for redemption.

SECTION 3.03. Notice of Redemption. Subject to Section 3.09 hereof, the Issuer shall deliver electronically, mail or cause to be mailed by first-class mail, postage prepaid notices of redemption at least 10 days but, except as set forth in Section 3.07(h), not more than 90 days before the Redemption Date to each Holder of Notes to be redeemed at such Holder's registered address or otherwise in accordance with Applicable Procedures, except that redemption notices may be delivered or mailed more than 90 days prior to a Redemption Date if the notice is issued in connection with Article VIII or Article XI hereof.

The notice shall identify the Notes to be redeemed and will state:

(a) the Redemption Date;

(b) the redemption price;

(c) if any Note is to be redeemed or purchased in part only, the portion of the principal amount of that Note that is to be redeemed and that, upon request, after the Redemption Date upon surrender of such Note, a new Note or Notes in principal amount equal to the unredeemed portion of the original Note representing the same indebtedness to the extent not redeemed or purchased will be issued in the name of the Holder upon cancellation of the original Note; *provided* that new Notes will only be issued in denominations of $2,000 and integral multiples of $1,000 in excess of $2,000;

(d) the name and address of the Paying Agent;

(e) that Notes called for redemption must be surrendered to the Paying Agent to collect the redemption price;

(f) that, unless the Issuer defaults in making such redemption payment, interest on Notes called for redemption ceases to accrue on and after the Redemption Date;

(g) the paragraph or subparagraph of the Notes and/or Section of this Indenture pursuant to which the Notes called for redemption are being redeemed;

(h) the CUSIP and ISIN number, if any, printed on the Notes being redeemed and that no representation is made as to the correctness or accuracy of any such CUSIP and ISIN number that is listed in such notice or printed on the Notes; and

(i) if such redemption or purchase is subject to satisfaction of one or more conditions precedent, a description of such conditions and, if applicable, will state that, in the Issuer's discretion, the Redemption Date may be delayed until such time (including more than 90 days after the date the redemption notice was mailed or delivered, including by electronic transmission) as any or all such conditions are satisfied (or waived by the Issuer in its sole discretion), or such redemption or purchase may not occur and such notice may be rescinded or modified in the event that any or all such conditions are not satisfied (or waived by the Issuer in its sole discretion) by the Redemption Date, or by the Redemption Date so delayed, or such notice may be rescinded at any time in the Issuer's discretion if in the good faith judgment of the Issuer any or all of such conditions will not be satisfied.

At the Issuer's request, the Trustee shall give the notice of redemption in the Issuer's name and at its expense*provided* that the Issuer shall have delivered to the Trustee, at least two Business Days before notice of redemption is required to be delivered, mailed or caused to be mailed to Holders pursuant to this Section 3.03 (unless a shorter notice shall be agreed to by the Trustee), an Officer's Certificate requesting that the Trustee give such notice and setting forth the information to be stated in such notice as provided in the preceding paragraph.

The Issuer may redeem Notes pursuant to one or more of the Sections of this Indenture, and a single redemption notice may be delivered with respect to redemptions made pursuant to different Sections. Any such notice may provide that redemptions made pursuant to different Sections will have different Redemption Dates.

The Issuer may provide in such notice that payment of the redemption price and performance of the Issuer's obligations with respect to such redemption may be performed by another Person. If any Notes are listed on an exchange, and the rules of the exchange so require, the Issuer will notify the exchange of any such notice of redemption and the principal amount of any Notes outstanding following any partial redemption of such Notes. In no event will the Trustee be responsible for monitoring, or charged with knowledge of, the maximum aggregate amount of Notes eligible hereunder to be redeemed. Notes will remain outstanding until redeemed, notwithstanding that they have been called for redemption or are subject to a notice of redemption.

SECTION 3.04. Effect of Notice of Redemption. Once notice of redemption is delivered in accordance withSection 3.03 hereof, subject to satisfaction of any conditions precedent relating thereto specified in the applicable notice of redemption, Notes called for redemption become irrevocably due and payable on the Redemption Date at the redemption price, except as set forth in Section 3.03(i). The notice, if delivered, mailed or caused to be mailed in a manner herein provided, shall be conclusively presumed to have been given, whether or not the Holder receives such notice. In any case, failure to deliver such notice or any defect in the notice to the Holder of any Note designated for redemption in whole or in part shall not affect the validity of the proceedings for the redemption of any other Note. Subject to Section 3.05 hereof, on and after the Redemption Date, interest shall cease to accrue on Notes or portions of Notes called for redemption.

SECTION 3.05. Deposit of Redemption Price.

(a) Prior to 11:00 a.m. (New York City time) on the Redemption Date, the Issuer shall deposit with the Trustee or with the Paying Agent money sufficient to pay the redemption price of and accrued and unpaid interest on all Notes to be redeemed on that Redemption Date. The Trustee or the Paying Agent shall promptly return to the Issuer any money deposited with the Trustee or the Paying Agent by the Issuer in excess of the amounts necessary to pay the redemption price of, and accrued and unpaid interest on, all Notes to be redeemed.

(b) If the Issuer complies with the provisions of the preceding paragraph (a), on and after the Redemption Date, interest shall cease to accrue on the Notes or the portions of Notes called for redemption. If a Note is redeemed on or after a Record Date but on or prior to the related Interest Payment Date, then any accrued and unpaid interest to the Redemption Date shall be paid to the Person in whose name such Note was registered at the close of business on such Record Date. If any Note called for redemption shall not be so paid upon surrender for redemption because of the failure of the Issuer to comply with the preceding paragraph, interest shall be paid on the unpaid principal, from the Redemption Date until such principal is paid, and to the extent lawful on any interest accrued to the Redemption Date not paid on such unpaid principal, in each case at the rate provided in the Notes and in Section 4.01 hereof.

SECTION 3.06. Notes Redeemed in Part. Upon surrender of a Definitive Note that is redeemed in part, upon request the Issuer shall issue and the Trustee shall authenticate for the Holder at the expense of the Issuer a new Note equal in principal amount to the unredeemed portion of the Note surrendered representing the same indebtedness to the extent not redeemed; *provided*, that each new Note will be in a principal amount of $2,000 and any integral multiple of $1,000 in excess of $2,000. It is understood that, notwithstanding anything in this Indenture to the contrary, only an Authentication Order and not an Opinion of Counsel or Officer's Certificate is required for the Trustee to authenticate such new Note.

SECTION 3.07. Optional Redemption.

(a) At any time prior to February 1, 2023, the Issuer may, at its option, on one or more occasions redeem all or a part of the Notes, upon notice as described under Section 3.03 hereof, at a redemption price (as calculated by the Issuer) equal to the sum of (i) 100.0% of the principal amount of the Notes redeemed, *plus* (ii) the Applicable Premium calculated as of the date the notice of redemption is given *plus* (iii) accrued and unpaid interest, if any, to, but excluding, the Redemption Date, subject to the right of Holders of record on the relevant Record Date to receive interest due on the relevant Interest Payment Date.

(b) At any time prior to February 1, 2023, the Issuer may, at its option and on one or more occasions, redeem, upon notice as described under Section 3.03 hereof, up to 40.0% of the aggregate principal amount of Notes and Additional Notes issued under this Indenture at a redemption price (as calculated by the Issuer) equal to the sum of (i) 108.000% of the aggregate principal amount thereof, with an amount equal to or less than the cash proceeds less underwriting fees from one or more Equity Offerings to the extent such cash proceeds are received by or contributed to the Issuer, *plus* (ii) accrued and unpaid interest thereon, if any, to, but excluding, the Redemption Date, subject to the right of Holders of record on the relevant Record Date to receive interest due on the relevant Interest Payment Date; *provided*, (A) at least

50.0% of the aggregate principal amount of Notes originally issued under this Indenture on the Issue Date (and excluding any Additional Notes issued under this Indenture after the Issue Date) remains outstanding immediately after the occurrence of each such redemption (except to the extent otherwise repurchased or redeemed (or to be repurchased or redeemed) in accordance with the terms of this Indenture); (B) that for purposes of calculating the principal amount of the Notes able to be redeemed with such cash proceeds of such Equity Offering or Equity Offerings, such amount shall include the principal amount of the Notes to be redeemed plus the premium on such Notes to be redeemed; and (C) each such redemption occurs within 180 days of the date of closing of each such Equity Offering or contribution.

(c) In connection with any tender offer or other offer to purchase the Notes (including a Change of Control Offer, Alternate Offer or Asset Sale Offer), if Holders of not less than 90% of the aggregate principal amount of the then outstanding Notes validly tender and do not withdraw such Notes in such offer and the Issuer, or any third party making such offer in lieu of the Issuer, purchases all of the Notes validly tendered and not withdrawn by such Holders, all of the Holders will be deemed to have consented to such tender offer or other offer to purchase and, accordingly, the Issuer or such third party will have the right upon notice, given not more than 90 days following such purchase date, to redeem all Notes that remain outstanding following such purchase at a price equal to the price offered to each other Holder in such tender offer or other offer to purchase (which may be less than par and shall exclude any early tender premium and any accrued and unpaid interest paid to any Holder in such offer payment), *plus*, to the extent not included in the offer payment, accrued and unpaid interest, if any, thereon, to, but excluding, the Redemption Date.

(d) Except pursuant to clause (a), (b) or (c) of this Section 3.07, the Notes will not be redeemable at the Issuer's option prior to February 1, 2023.

(e) On and after February 1, 2023, the Issuer may, at its option redeem the Notes, in whole or in part, on one or more occasions, upon notice as described under Section 3.03 hereof, at the redemption prices (expressed as percentages of principal amount of the Notes to be redeemed) set forth below, plus accrued and unpaid interest, if any, to, but excluding, the Redemption Date, subject to the right of Holders of record on the relevant Record Date to receive interest due on the relevant Interest Payment Date, if redeemed during the twelve-month period beginning on February 1 of each of the years indicated below:

Year	Percentage
2023	104.000%
2024	102.000%
2025 and thereafter	100.000%

(f) Any redemption pursuant to this Section 3.07 shall be made pursuant to the provisions of Sections 3.01 through 3.06 hereof.

(g) In addition to any redemption pursuant to this Section 3.07, the Issuer or its Affiliates may at any time and from time to time acquire Notes by means other than a redemption or offer to purchase, whether by tender offer, in the open market, negotiated transaction or otherwise.

(h) Any notice of redemption made in connection with a related transaction or event (including an Equity Offering, contribution, Change of Control, Asset Sale or other transaction) may, at the Issuer's discretion, be given prior to the completion or the occurrence thereof, and any such redemption or notice may, at the Issuer's discretion, be subject to one or more conditions precedent, including, but not limited to, the completion or occurrence of the related transaction or event, as the case may be.

SECTION 3.08. Mandatory Redemption. The Issuer will not be required to make any mandatory redemption or sinking fund payments with respect to the Notes.

SECTION 3.09. Offers to Repurchase by Application of Excess Proceeds.

(a) In the event that, pursuant to Section 4.10 hereof, the Issuer shall be required to commence an Asset Sale Offer, it shall follow the procedures specified below.

(b) The Asset Sale Offer shall remain open for a period of 10 Business Days following its commencement and no longer, except to the extent that a longer period is required by applicable law (the "Offer Period"). No later than five Business Days after the termination of the Offer Period (the "Purchase Date"), the Issuer shall apply all Excess Proceeds (or in the case of an Advance Offer, the Advance Portion) (the "Offer Amount") to the purchase of Notes and, if required, Pari Passu Indebtedness (on a *pro rata* basis, if applicable), or, if less than the Offer Amount has been tendered, all Notes and Pari Passu Indebtedness tendered in response to the Asset Sale Offer, in each case in accordance with Section 4.10 hereof. Payment for any Notes so purchased shall be made in the same manner as interest payments are made.

(c) If the Purchase Date is on or after a Record Date and on or before the related Interest Payment Date, any accrued and unpaid interest, up to but excluding the Purchase Date, shall be paid to the Person in whose name a Note is registered at the close of business on such Record Date, and no additional interest shall be payable to Holders who tender Notes pursuant to the Asset Sale Offer.

(d) Upon the commencement of an Asset Sale Offer, the Issuer shall deliver electronically or send, by first-class mail, postage prepaid, a notice to each of the Holders, with a copy to the Trustee. The notice shall contain all instructions and materials necessary to enable such Holders to tender Notes pursuant to the Asset Sale Offer. The Asset Sale Offer shall be made to all Holders and holders of such Pari Passu Indebtedness in accordance with Section 4.10 hereof. The notice, which shall govern the terms of the Asset Sale Offer, shall state:

(i) that the Asset Sale Offer is being made pursuant to this Section 3.09 and Section 4.10 hereof and the length of time the Asset Sale Offer shall remain open;

(ii) the Offer Amount, the purchase price and the Purchase Date;

(iii) that any Note not tendered or accepted for payment shall continue to accrue interest;

(iv) that, unless the Issuer defaults in making such payment, any Note accepted for payment pursuant to the Asset Sale Offer shall cease to accrue interest on and after the Purchase Date;

(v) that any Holder electing to have less than all of the aggregate principal amount of its Notes purchased pursuant to an Asset Sale Offer may elect to have Notes purchased in an amount not less than $2,000 and integral multiples of $1,000 in excess thereof;

(vi) that Holders electing to have a Note purchased pursuant to any Asset Sale Offer shall be required to surrender the Note, with the form entitled "Option of Holder to Elect Purchase" attached to the Note completed, or transfer such Note by book-entry transfer, to the Issuer, the Depositary, if appointed by the Issuer, or a Paying Agent at the address specified in the notice at least two Business Days before the Purchase Date;

(vii) that Holders shall be entitled to withdraw their election if the Issuer, the Depositary or the Paying Agent, as the case may be, receives, not later than the expiration of the Offer Period, a facsimile transmission or letter setting forth the name of the Holder, the principal amount of the Note the Holder delivered for purchase and a statement that such Holder is withdrawing its election to have such Note purchased;

(viii) that, if the aggregate principal amount (or accreted value, as applicable) of Notes and/or Pari Passu Indebtedness surrendered by the holders thereof exceeds the Offer Amount, the Trustee will select the Notes to be purchased in accordance with Section 3.02 and the Issuer (or the agents or trustees of such Pari Passu Indebtedness) will select such Pari Passu Indebtedness to be purchased pursuant to the terms of such Pari Passu Indebtedness; *provided*, as between the Notes and any Pari Passu Indebtedness, such purchases will be made on a*pro rata* basis based on the accreted value or principal amount of the Notes and such Pari Passu Indebtedness tendered with adjustments as necessary so that no Notes or Pari Passu Indebtedness will be repurchased in part in an unauthorized denomination; and

(ix) that Holders whose certificated Notes were purchased only in part shall be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered (or transferred by book-entry transfer) representing the same indebtedness to the extent not repurchased.

(e) On or before the Purchase Date, the Issuer shall, to the extent lawful, (1) accept for payment, on a*pro rata* basis as described in clause (d)(viii) of this Section 3.09, the Offer Amount of Notes or portions thereof validly tendered pursuant to the Asset Sale Offer, or if less than the Offer Amount has been tendered, all Notes tendered and (2) deliver or cause to be delivered to the Trustee the Notes properly accepted, together with an Officer's Certificate stating the aggregate principal amount of Notes or portions thereof so tendered.

(f) The Issuer, the Depositary or the Paying Agent, as the case may be, shall promptly mail or deliver to each tendering Holder an amount equal to the purchase price of the Notes properly tendered by such Holder and accepted by the Issuer for purchase, and the Issuer shall promptly issue a new Note, and the Trustee, upon receipt of an Authentication Order, shall authenticate and mail or deliver (or cause to be transferred by book-entry) such new Note to such Holder (it being understood that, notwithstanding anything in this Indenture to the contrary, no Opinion of Counsel or Officer's Certificate is required for the Trustee to authenticate and mail or deliver such new Note) in a principal amount equal to any unpurchased portion of the Note surrendered representing the same indebtedness to the extent not repurchased. Any Note not so accepted shall be promptly mailed or delivered by the Issuer to the Holder thereof. The Issuer shall publicly announce the results of the Asset Sale Offer on or as soon as practicable after the Purchase Date.

(g) Prior to 11:00 a.m. (New York City time) on the Purchase Date, the Issuer shall deposit with the Trustee or with the Paying Agent money sufficient to pay the purchase price of and accrued and unpaid interest on all Notes to be purchased on that purchase date. The Trustee or the Paying Agent shall promptly return to the Issuer any money deposited with the Trustee or the Paying Agent by the Issuer in excess of the amounts necessary to pay the purchase price of, and accrued and unpaid interest on, all Notes to be redeemed.

Other than as specifically provided in this Section 3.09 or Section 4.10 hereof, any purchase pursuant to this Section 3.09 shall be made pursuant to the applicable provisions of Sections 3.01 through 3.06 hereof, and references therein to "redeem," "redemption," "Redemption Date" and similar words shall be deemed to refer to "purchase," "repurchase," "Purchase Date" and similar words, as applicable.

ARTICLE IV

COVENANTS

SECTION 4.01. Payment of Notes. The Issuer shall pay or cause to be paid the principal of, premium, if any, and interest on the Notes on the dates and in the manner provided in the Notes and this Indenture. Principal, premium, if any, and interest shall be considered paid on the date due if the Paying Agent, if other than the Issuer or a Guarantor or an Affiliate of the Issuer or a Guarantor, holds as of 11:00 a.m. New York City time on the due date money deposited by the Issuer in immediately available funds and designated for and sufficient to pay all principal, premium, if any, and interest then due.

The Issuer shall pay interest (including post-petition interest in any proceeding under any Debtor Relief Laws) on overdue principal at the rate equal to the then applicable interest rate on the Notes to the extent lawful; the Issuer shall pay interest (including post-petition interest in any proceeding under any Debtor Relief Laws) on overdue installments of interest (without regard to any applicable grace period) at the same rate to the extent lawful.

SECTION 4.02. Maintenance of Office or Agency. The Issuer shall maintain the offices or agencies (which may be an office of the Trustee or an affiliate of the Trustee, Registrar or Transfer Agent) required under Section 2.03 hereof where Notes may be surrendered for registration of transfer or for exchange or presented for payment and where notices and demands to or upon the Issuer in respect of the Notes and this Indenture may be served. The Issuer shall give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Issuer shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee.

The Issuer may also from time to time designate one or more other offices or agencies where the Notes may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; *provided* that no such designation or rescission shall in any manner relieve the Issuer of its obligation to maintain such offices or agencies as required by Section 2.03 hereof for such purposes. The Issuer shall give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

The Issuer hereby designates the Corporate Trust Office of the Trustee as one such office or agency of the Issuer in accordance with Section 2.03 hereof.

SECTION 4.03. Reports and Other Information.

(a) So long as any Notes are outstanding, the Issuer will furnish to the Holders:

(i) (A) all annual and quarterly financial statements of the Issuer substantially in the forms that would be required to be contained in a filing with the SEC on Forms 10-K and 10-Q (solely with respect to the first three fiscal quarters of each fiscal year), if the Issuer were required to file such forms on the Issue Date, and a "Management's Discussion and Analysis of Financial Condition and Results of Operations" and (B) with respect to the annual financial statements only, a report on the annual financial statements by the Issuer's independent registered public accounting firm; and

(ii) promptly from time to time after the occurrence of an event required to be therein reported, such other information containing substantially the same information that would be required to be contained in filings with the SEC on Form 8-K under Items: 1.03 (*Bankruptcy or Receivership*); 2.01 (*Completion of Acquisition or Disposition of Assets*); 2.03 (*Creation of a Direct Financial Obligation or an Obligation under anOff-Balance Sheet Arrangement of a Registrant*); 4.02 (*Non-Reliance on Previously Issued Financial Statements or a Related Audit Report or Completed Interim Review*); 5.01 (*Changes in Control of Registrant*); 5.02(a)(1) (*Resignation of Director due to Disagreement with Registrant*); 5.02(c)(1) (*Name and Position of Newly Appointed Officer and Date of Appointment*); and 5.03(b) (*Changes in Fiscal Year*), each as in effect on the Issue Date if the Issuer were required to file such reports;

provided, *however*,

(1) no such current report will be required to include as an exhibit or summary of terms of, any employment or compensatory arrangement agreement, plan or understanding between the Issuer (or any of its Subsidiaries or any Parent Company) and any director, manager or executive officer, of the Issuer (or any of its Subsidiaries or any Parent Company);

(2) in no event will such reports be required to comply with Section 302, Section 404 or Section 906 of the Sarbanes-Oxley Act of 2002, or related Items 307, 308 and 308T of Regulation S-K;

(3) in no event will such reports be required to comply with Rule 3-10 of Regulation S-X promulgated by the SEC or contain separate financial statements for the Issuer, the Guarantors or other Subsidiaries the shares of which may be pledged to secure the Notes or any Guarantee that would be required under (A) Section 3-09 of Regulation S-X or (B) Section 3-16 of Regulation S-X, respectively, promulgated by the SEC;

(4) in no event will such reports be required to comply with Regulation G under the Exchange Act or Item 10(e) of Regulation S-K promulgated by the SEC with respect to any non-GAAP financial measures contained therein;

(5) no such reports referenced under clause (ii) above will be required to be furnished if the Issuer determines in its good faith judgment that such event is not material to the Holders or the business, assets, operations or financial position of the Issuer and its Restricted Subsidiaries, taken as a whole;

(6) in no event will reports referenced in clause (i) or (ii) above be required to include as an exhibit copies of any agreements, financial statements or other items that would be required to be filed as exhibits to an annual report on Form 10-K, a quarterly report on Form 10-Q or a current report on Form 8-K;

(7) in no event will reports delivered prior to the completion of the first full fiscal year following the Issue Date be required to comply with Regulation S-X of the SEC, give *pro forma* effect to the Transactions or the Refinancing Transactions;

(8) trade secrets and other confidential information that is competitively sensitive in the good faith and reasonable determination of the Issuer may be excluded from any disclosures; and

(9) if at any time the Issuer or any Parent Company of the Issuer or a Qualified Reporting Subsidiary has made a good faith determination to file a registration statement with the SEC with respect to an Equity Offering of such entity's Equity Interests, the Issuer will still be required to provide reports pursuant to this Section 4.03 but the content of such reports will not be required to disclose any information that, in the good faith view of the Issuer or a Parent Company of the Issuer, would violate the securities laws or the SEC's "gun jumping" rules or otherwise have an adverse effect on such Equity Offering.

(b) All such annual reports will be furnished within 120 days after the end of the fiscal year to which they relate, and all such quarterly reports will be furnished within 60 days after the end of the fiscal quarter to which they relate. The financial statements required to be provided under this Section 4.03 may be prepared pursuant to GAAP as in effect from time to time.

(c) Notwithstanding anything herein to the contrary, the Issuer will not be deemed to have failed to comply with any of its obligations under this Section 4.03 for purposes of Section 6.01(c) hereof until 180 days after the date any report is due under this Section 4.03.

(d) The Issuer will make available such information and such reports to the Trustee under this Indenture, to any Holder and, upon request, to any beneficial owner of the Notes, in each case by posting such information on the website of the Issuer or any Parent Company, on Intralinks or any comparable password-protected online data system that will require a confidentiality acknowledgment, and will make such information readily available to any Holder, any bona fide prospective investor in the Notes (which prospective investors will be limited to "qualified institutional buyers" within the meaning of Rule 144A of the Securities Act that certify their status as such to the reasonable satisfaction of the Issuer), any bona fide securities analyst (to the extent providing analysis of investment in the Notes to investors and prospective investors therein) or any bona fide market maker in the Notes who agrees to treat such information as confidential or accesses such information on Intralinks or any comparable password-protected online data system that will require a confidentiality acknowledgment; *provided*, the Issuer will post such information thereon and make readily available any password or other login information to any such Holder, prospective investor, securities analyst or market maker; provided, further, however, the Issuer may deny access to any competitively-sensitive information otherwise to be provided pursuant to this paragraph to any such Holder, prospective investor, security analyst or market maker that is a competitor of the Issuer and its Subsidiaries, or an affiliate of such a competitor (other than any affiliate that is a bona fide bank debt fund, distressed asset fund, hedge fund, mutual fund, insurance company, financial institution or investment vehicle engaged in the business of investing in, acquiring or trading commercial loans, bonds and similar extensions of credit in the ordinary course (and not organized primarily for the purpose of making equity investments)) to the extent that the Issuer determines in good faith that the provision of such information to such Person would be competitively harmful to the Issuer and its Subsidiaries; and *provided*, *further*, that such Holders, prospective investors, security analysts or market makers will agree to (1) treat all such reports (and the information contained therein) and information as confidential, (2) not use such reports and the information contained therein for any purpose other than their investment or potential investment in the Notes and (3) not publicly disclose or distribute to any competitor any such reports (and the information contained therein).

(e) The Issuer will be deemed to have furnished the reports in Sections 4.03.a)i) and (ii) if the Issuer, any Qualified Reporting Subsidiary or any Parent Company has filed reports containing such information with the SEC.

(f) To the extent any information is not provided within the time periods specified in this Section 4.03 and such information is subsequently provided, the Issuer will be deemed to have satisfied its obligations with respect thereto at such time and any Default with respect thereto will be deemed to have been cured.

(g) The Issuer shall use its commercially reasonable efforts, consistent with its judgment as to what is prudent at the time, to participate in quarterly conference calls (which may be a single conference call together with investors holding other securities or Indebtedness of the Issuer and/or its Restricted Subsidiaries and/or any Parent Company of the Issuer and may be held prior to such time that the annual or quarterly information and reports required by Section 4.03(a) are furnished to Holders) to discuss operating results and related matters. The Issuer shall issue a press release or post to the website of the Issuer or any Parent Company or on Intralinks or any comparable password protected online data system, which will provide the date and time of any such call and information on how to obtain access to the conference call or will direct Holders, prospective investors and securities analysts to contact the investor relations office of the Issuer to obtain access to the conference call.

(h) Notwithstanding the foregoing, the financial statements, information, auditors' reports and other documents and information required to be provided pursuant to Section 4.03(a) may be, rather those of the Issuer, those of (i) any predecessor or successor of the Issuer or any entity meeting the requirements of Section 4.03(h)(ii) or (iii), (ii) any Wholly-Owned Restricted Subsidiary of the Issuer that, together with its consolidated Subsidiaries, constitutes substantially all of the assets of the Issuer and its consolidated Subsidiaries ("Qualified Reporting Subsidiary") or (iii) any Parent Company of the Issuer; *provided* that, if the financial information required to be provided pursuant to clause (i) or (ii) of Section 4.03(a) relates to such Qualified Reporting Subsidiary of the Issuer or such Parent Company of the Issuer that has Independent Assets and Operations and there are material differences between the financial information of the Issuer and such Qualified Reporting Subsidiary of the Issuer or such Parent Company of the Issuer that has Independent Assets and Operations, such financial information will be accompanied by consolidating information, which may be posted to the website of the Issuer or any Parent Company or on Intralinks or any comparable password protected online data system or otherwise provided in accordance with Section 4.03(d), that explains in reasonable detail (in the good faith judgment of the Issuer) the material differences between the information relating to such Qualified Reporting Subsidiary or such Parent Company (as the case may be), on the one hand, and the information relating to the Issuer and its Subsidiaries on a standalone basis, on the other hand. For the avoidance of doubt, the consolidating information referred to in the proviso in the preceding sentence need not be audited or reviewed.

(i) It is understood that the Trustee shall have no obligation whatsoever to determine whether or not such information, documents or reports have been posted on the Issuer's website. The posting or delivery of any such information, documents and reports to the Trustee is for informational purposes only and the Trustee's receipt of such information, documents and reports shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Issuer's compliance with any of the covenants under this Indenture (as to which the Trustee is entitled to rely exclusively on an Officer's Certificate). The Trustee shall have no duty to review or analyze reports, information and documents delivered to it. Additionally, the Trustee shall not be obligated to monitor or confirm, on a continuing basis or otherwise, the Issuer's compliance with the covenants or with respect to any reports or other documents filed with any protected online data system, or participate on any conference calls.

SECTION 4.04. Compliance Certificate.

(a) The Issuer shall deliver to the Trustee, within 90 days after the end of each fiscal year (beginning with the fiscal year ending December 31, 2021) ending after the Issue Date, a certificate from the principal executive officer, principal financial officer or principal accounting officer stating that a review of the activities of the Issuer and its Restricted Subsidiaries during the preceding fiscal year has been made under the supervision of the signing Officer with a view to determining whether the Issuer has kept, observed, performed and fulfilled its obligations under this Indenture, and further stating, as to such Officer signing such certificate, that to the best of his or her knowledge the Issuer has kept, observed, performed and fulfilled each and every condition and covenant contained in this Indenture during such fiscal year and is not in Default in the performance or observance of any of the terms, provisions, covenants and conditions of this Indenture (or, if a Default shall have occurred, describing all such Defaults of which he or she may have knowledge and what action the Issuer is taking or proposes to take with respect thereto).

(b) When any Default has occurred and is continuing under this Indenture, or if the Trustee or the holder of any other evidence of Indebtedness of the Issuer or any Subsidiary gives any notice or takes any other action with respect to a claimed Default, the Issuer shall promptly (which shall be no more than thirty (30) days after becoming aware of such Default, unless such Default has been cured, waived or is no longer continuing within such 30-day period) deliver to the Trustee by registered or certified mail or by facsimile transmission an Officer's Certificate specifying such event and what action the Issuer proposes to take with respect thereto.

SECTION 4.05. Taxes. The Issuer shall pay or discharge, and shall cause each of its Restricted Subsidiaries to pay or discharge, prior to delinquency, all material taxes, lawful assessments, and governmental levies except such as are contested in good faith and by appropriate actions or where the failure to effect such payment or discharge is not adverse in any material respect to the Holders.

SECTION 4.06. Stay, Extension and Usury Laws. The Issuer and each of the Guarantors covenant (to the extent that they may lawfully do so) that they shall not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of this Indenture; and the Issuer and each of the Guarantors (to the extent that they may lawfully do so) hereby expressly waive all benefit or advantage of any such law, and covenant (to the extent that they may lawfully do so) that they shall not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Trustee, but shall suffer and permit the execution of every such power as though no such law has been enacted.

SECTION 4.07. Limitation on Restricted Payments.

(a) The Issuer will not, and will not permit any of its Restricted Subsidiaries, directly or indirectly, to:

(i) declare or pay any dividend or make any payment or distribution on account of the Issuer's or any Restricted Subsidiary's Equity Interests (in each case, solely in such Person's capacity as holder of such Equity Interests), including any dividend or distribution payable in connection with any merger, amalgamation or consolidation other than:

(A) dividends, payments or distributions payable solely in Equity Interests (other than Disqualified Stock) of the Issuer or a Parent Company or in options, warrants or other rights to purchase such Equity Interests; or

(B) dividends, payments or distributions by a Restricted Subsidiary so long as, in the case of any dividend, payment or distribution payable on or in respect of any class or series of securities issued by a Restricted Subsidiary other than a Wholly-Owned Subsidiary, the Issuer or a Restricted Subsidiary receives at least its *pro rata* share of such dividend, payment or distribution in accordance with its Equity Interests in such class or series of securities or such other amount to which it is entitled pursuant to the terms of such Equity Interest;

(ii) purchase, redeem, defease or otherwise acquire or retire for value any Equity Interests of the Issuer or any Parent Company, including in connection with any merger, amalgamation or consolidation, in each case held by Persons other than the Issuer or a Restricted Subsidiary;

(iii) make any principal payment on, or redeem, repurchase, defease or otherwise acquire or retire for value, in each case, prior to any scheduled repayment, sinking fund payment or final maturity, any Subordinated Indebtedness, other than:

(A) Indebtedness permitted under clauses (vii), (viii) and (ix) of Section 4.09(b); or

(B) the payment, redemption, repurchase, defeasance, acquisition or retirement for value of Subordinated Indebtedness purchased in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of such payment, redemption, repurchase, defeasance, acquisition or retirement; or

(iv) make any Restricted Investment;

(all such payments and other actions set forth in clauses (i) through (iv) above being collectively referred to as "Restricted Payments"), unless, at the time of and immediately after giving effect to such Restricted Payment:

(A) in the case of a Restricted Payment other than a Restricted Investment, no Event of Default will have occurred and be continuing or would occur as a consequence thereof and, in the case of a Restricted Investment utilizing clause (C)(7) below, no Event of Default described in Section 6.01(a), 6.01(b), 6.01(f) or 6.01(g) will have occurred and be continuing or would occur as a consequence thereof;

(B) except in the case of a Restricted Investment, immediately after giving effect to any such Restricted Payment made pursuant to clause (C)(1) below on a *pro forma* basis, the Issuer could incur $1.00 of additional Indebtedness pursuant to either the Fixed Charge Coverage Ratio test set forth in Section 4.09(a) (the "Fixed Charge Coverage Test") or the Total Net Leverage Ratio test set forth in Section 4.09(b)(xxxi) (the "Total Net Leverage Ratio Test"); and

(C) such Restricted Payment, together with the aggregate amount of all other Restricted Payments (including the fair market value of any non-cash amount) made by the Issuer and its Restricted Subsidiaries after June 10, 2015 (excluding Restricted Payments permitted by Section 4.07(b), other than Section 4.07(b)(i)), is less than the sum of (without duplication):

(1) 50.0% of the Consolidated Net Income of the Issuer for the period (taken as one accounting period) beginning on June 10, 2015 to the end of the most recently ended Test Period preceding such Restricted Payment, or, in the case such Consolidated Net Income for such period is a deficit, *minus* 100.0% of such deficit (which amount in this clause (1) will be deemed to be not less than zero for such period); *plus*

(2) 100.0% of the aggregate net cash proceeds and the fair market value of marketable securities or other property received by the Issuer and its Restricted Subsidiaries since June 10, 2015 (other than net cash proceeds to the extent such net cash proceeds have been used to incur Indebtedness or issue Disqualified Stock or Preferred Stock pursuant to Section 4.09(b)(xii)(A) hereof) from the issue or sale of:

(I) (a) Equity Interests of the Issuer (other than any Permitted Warrant Transaction), including Treasury Capital Stock, but excluding cash proceeds and the fair market value of marketable securities or other property received from the sale of:

(i) Equity Interests to any future, present or former employees, directors, officers, members of management or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members or any permitted transferees thereof) of the Issuer, its Subsidiaries or any Parent Company after June 10, 2015 to the extent such amounts have been applied to Restricted Payments made in accordance with Section 4.07(b)(iv); and

(ii) Designated Preferred Stock; and

(b) Equity Interests of Parent Companies (other than any Permitted Warrant Transaction) to the extent the proceeds of any such issuance or consideration for any such sale are contributed to the Issuer (excluding contributions of the proceeds from the sale of Designated Preferred Stock of such companies or contributions to the extent such amounts have been applied to Restricted Payments made in accordance with Section 4.07(b)(iv)); or

(II) Indebtedness of the Issuer or any Restricted Subsidiary, that has been converted into or exchanged for Equity Interests of the Issuer or any Parent Company;

provided, that this clause (C)(2) will not include the proceeds from (W) Refunding Capital Stock (as defined herein) applied in accordance with Section 4.07(b)(ii), (X) Equity Interests or convertible debt securities of the Issuer sold to a Restricted Subsidiary, (Y) Disqualified Stock or debt securities that have been converted into Disqualified Stock or (Z) Excluded Contributions; *plus*

(3) 100.0% of the aggregate amount of cash, Cash Equivalents and the fair market value of marketable securities or other property contributed to the capital of the Issuer following June 10, 2015 (including the fair market value of any Indebtedness contributed to the Issuer or its Restricted Subsidiaries for cancellation) or that becomes part of the capital of the Issuer through consolidation, amalgamation or merger following June 10, 2015, in each case not involving cash consideration payable by the Issuer (other than (X) net cash proceeds to the extent such net cash proceeds have been used to incur Indebtedness or issue Disqualified Stock or Preferred Stock pursuant to Section 4.09(b)(xii)(A), (Y) cash, Cash Equivalents and marketable securities or other property that are contributed by a Restricted Subsidiary or (Z) Excluded Contributions); *plus*

(4) 100.0% of the aggregate amount received in cash and the fair market value of marketable securities or other property received by the Issuer or a Restricted Subsidiary by means of:

(I) the sale or other disposition (other than to the Issuer or a Restricted Subsidiary) of, or other returns on Investments from, Restricted Investments made by the Issuer or its Restricted Subsidiaries (including cash distributions and cash interest received in respect of Restricted Investments) and repurchases and

redemptions of such Restricted Investments from the Issuer or its Restricted Subsidiaries (other than by the Issuer or a Restricted Subsidiary) and repayments of loans or advances, and releases of guarantees, which constitute Restricted Investments made by the Issuer or its Restricted Subsidiaries, in each case after June 10, 2015 (excluding any Excluded Contributions made pursuant to clause (2) of the definition thereof); or

(II) the sale (other than to the Issuer or a Restricted Subsidiary) of Equity Interests of an Unrestricted Subsidiary or a distribution from an Unrestricted Subsidiary (other than, in each case, to the extent the Investment in such Unrestricted Subsidiary constituted a Permitted Investment, but including such cash or fair market value to the extent exceeding the amount of such Permitted Investment) or a dividend from an Unrestricted Subsidiary after June 10, 2015 (excluding any Excluded Contributions made pursuant to clause (2) of the definition thereof); *plus*

(5) in the case of the redesignation of an Unrestricted Subsidiary as a Restricted Subsidiary or the merger, amalgamation or consolidation of an Unrestricted Subsidiary into the Issuer or a Restricted Subsidiary or the transfer of all or substantially all of the assets of an Unrestricted Subsidiary to the Issuer or a Restricted Subsidiary after June 10, 2015, the fair market value of the Investment in such Unrestricted Subsidiary (or the assets transferred) at the time of the redesignation of such Unrestricted Subsidiary as a Restricted Subsidiary or at the time of such merger, amalgamation, consolidation or transfer of assets, other than to the extent the Investment in such Unrestricted Subsidiary constituted a Permitted Investment, but, to the extent exceeding the amount of such Permitted Investment, including such excess amounts of cash or fair market value; *plus*

(6) 100% of the aggregate amount of Declined Excess Proceeds; *plus*

(7) $100.0 million.

(b) Section 4.07(a) will not prohibit:

(i) the payment of any dividend or other distribution or the consummation of any irrevocable redemption within 60 days after the date of declaration of the dividend or other distribution or giving of the redemption notice, as the case may be, if at the date of declaration or notice, the dividend or other distribution or redemption payment would have complied with the provisions of this Indenture;

(ii) (A) the redemption, repurchase, defeasance, discharge, retirement or other acquisition of (1) any Equity Interests of the Issuer or any Restricted Subsidiary or any Parent Company, including any accrued and unpaid dividends thereon ("Treasury Capital Stock"), or (2) Subordinated Indebtedness, in each case, made (x) in exchange for, or out of the proceeds of, a sale or issuance (other than to a Restricted Subsidiary) of Equity Interests of the Issuer or any Parent Company (to the extent such Equity Interests or proceeds therefrom are contributed to the Issuer) (in each case, other than Disqualified Stock), and (y) within 120 days of such sale or issuance ("Refunding Capital Stock"), (B) the declaration and payment of dividends on Treasury Capital Stock out of the proceeds of a sale or issuance (other than to a Restricted Subsidiary of the Issuer or to an employee stock ownership plan or any trust established by the Issuer or any Restricted Subsidiary) of Refunding Capital Stock made within 120 days of such sale or issuance, and (C) if, immediately prior to the retirement of Treasury Capital Stock, the declaration and payment of dividends thereon by the Issuer were permitted under clause (vi)(A) or (B) of this Section 4.07(b), the declaration and payment of dividends on the Refunding Capital Stock (other than Refunding Capital Stock the proceeds of which were used to redeem, repurchase, retire or otherwise acquire any Equity Interests of any Parent Company) in an aggregate amount per annum no greater than the aggregate amount of dividends per annum that were declarable and payable on such Treasury Capital Stock immediately prior to such retirement;

(iii) the principal payment on, defeasance, redemption, repurchase, exchange or other acquisition or retirement of (A) Subordinated Indebtedness of the Issuer or a Guarantor made (1) by exchange for, or out of the proceeds of the sale, issuance or incurrence of, new Indebtedness of the Issuer or a Guarantor or Disqualified Stock of the Issuer or a Guarantor and (2) within 120 days of such sale, issuance or incurrence, (B) Disqualified Stock of the Issuer or a Guarantor made by exchange for, or out of the proceeds of the sale, issuance or incurrence of, Disqualified Stock or Subordinated Indebtedness of the Issuer or a Guarantor, made within 120 days of such sale, issuance or incurrence, (C) Disqualified Stock of a Restricted Subsidiary that is not a Guarantor made by exchange for, or out of the proceeds of the sale or issuance of, Disqualified Stock of a Restricted Subsidiary that is not a Guarantor made within 120 days of such sale or issuance that, in each case, is Refinancing Indebtedness incurred or issued, as applicable, in compliance with Section 4.09 and (D) any Subordinated Indebtedness or Disqualified Stock that constitutes Acquired Indebtedness;

(iv) a Restricted Payment to pay for the repurchase, retirement or other acquisition or retirement for value of Equity Interests (other than Disqualified Stock) (including related stock appreciation rights or similar securities) of the Issuer or any Parent Company held by any future, present or former employee, director, officer, member of management or consultant (or their respective Controlled Investment Affiliates or Immediate Family Members or any permitted transferees thereof) of the Issuer, any of its Subsidiaries or any Parent Company pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or agreement, or any equity subscription or equity holder agreement (including, for the avoidance of doubt, any principal and interest payable on any notes issued by the Issuer or any Parent Company in connection with any such repurchase, retirement or other acquisition), including Equity Interests rolled over by management of the Issuer, any of

its Subsidiaries or any Parent Company in connection with the Transactions; *provided*, the aggregate amount of Restricted Payments made under this clause (iv) does not exceed $35.0 million in any calendar year (increasing to $60.0 million following an underwritten public Equity Offering by the Issuer or any Parent Company) with unused amounts in any calendar year being carried over to succeeding calendar years beginning with the calendar year ending December 31, 2015 as if this clause were in effect beginning with such calendar year; *provided, further*, such amount in any calendar year under this clause (iv) may be increased by an amount not to exceed:

(A) the cash proceeds from the sale of Equity Interests (other than Disqualified Stock) of the Issuer and, to the extent contributed to the Issuer, the cash proceeds from the sale of Equity Interests of any Parent Company, in each case to any future, present or former employees, directors, officers, members of management or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members or any permitted transferees thereof) of the Issuer, any of its Subsidiaries or any Parent Company that occurs after June 10, 2015, to the extent the cash proceeds from the sale of such Equity Interests have not otherwise been applied to the payment of Restricted Payments by virtue of Section 4.07(a)(iv)(C); *plus*

(B) the amount of any cash bonuses otherwise payable to members of management, employees, directors or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members or any permitted transferees thereof) of the Issuer, any of its Subsidiaries or any Parent Company that are foregone in exchange for the receipt of Equity Interests of the Issuer or any Parent Company pursuant to any compensation arrangement, including any deferred compensation plan; *plus*

(C) the cash proceeds of life insurance policies received by the Issuer or its Restricted Subsidiaries (or by any Parent Company to the extent contributed to the Issuer) after June 10, 2015; *minus*

(D) the amount of any Restricted Payments previously made with the cash proceeds described in clauses (A), (B) and (C) of this clause (iv);

and *provided*, that the Issuer may elect to apply all or any portion of the aggregate increase contemplated by clauses (A), (B) and (C) of this Section 4.07(b)(iv) in any calendar year, and *provided, further*, cancellation of Indebtedness owing to the Issuer or any of its Restricted Subsidiaries from any future, present or former employees, directors, officers, members of management or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members or any permitted transferees thereof), of the Issuer, any Parent Company or any of its Restricted Subsidiaries in connection with a repurchase of Equity Interests of the Issuer or any Parent Company will not be deemed to constitute a Restricted Payment for purposes of this Section 4.07 or any other provision of this Indenture;

(v) the declaration and payment of dividends or distributions to holders of any class or series of Disqualified Stock of the Issuer or any Restricted Subsidiary or any class or series of Preferred Stock of any Restricted Subsidiary issued before the Issue Date or in accordance with Section 4.09 to the extent such dividends are included in the definition of “Fixed Charges”;

(vi) (A) the declaration and payment of dividends or distributions to holders of any class or series of Designated Preferred Stock issued by the Issuer or any Restricted Subsidiary after June 10, 2015;

(B) the declaration and payment of dividends or distributions to any Parent Company, the proceeds of which will be used to fund the payment of dividends or distributions to holders of any class or series of Designated Preferred Stock issued by such Parent Company after June 10, 2015; provided that the amount of dividends and distributions paid pursuant to this clause (B) will not exceed the aggregate amount of cash actually contributed to the Issuer from the sale of such Designated Preferred Stock; or

(C) the declaration and payment of dividends on Refunding Capital Stock that is Preferred Stock in excess of the dividends declarable and payable thereon pursuant to Section 4.07(b)(ii);

provided, in the case of each of clauses (A), (B) and (C) of this clause (A), that for the most recently ended Test Period preceding the date of issuance of such Designated Preferred Stock after the Issue Date or the declaration of such dividends on Refunding Capital Stock that is Preferred Stock, after giving effect to such issuance or declaration on a *pro forma* basis, the Issuer would have had a Fixed Charge Coverage Ratio of at least 2.00 to 1.00 or a Total Net Leverage Ratio of no more than 5.10 to 1.00;

(vii) (A) payments made or expected to be made by the Issuer or any Restricted Subsidiary in respect of withholding or similar taxes payable by any future, present or former employee, director, officer, member of management or consultant (or their respective Controlled Investment Affiliates or Immediate Family Members, or permitted transferees) of the Issuer or any Restricted Subsidiary or any Parent Company, (B) any repurchases or withholdings of Equity Interests in connection with the exercise of stock options, warrants or similar rights if such Equity Interests represent a portion of the exercise of, or withholding obligations with respect to, such options, warrants or similar rights or required withholding or similar taxes and (C) loans or advances to officers, directors, employees, managers, consultants and independent contractors of the Issuer or any Parent Company or any Restricted Subsidiary of the Issuer in connection with such Person's purchase of Equity Interests of the Issuer or any Parent Company; *provided* that no cash is actually advanced pursuant to this clause (vii)(C) other than to pay taxes due in connection with such purchase, unless immediately repaid;

(viii) the declaration and payment of dividends on the Issuer's common equity (or the payment of dividends to any Parent Company to fund a payment of dividends on such company's common equity) or the purchase, redemption, defeasance or other acquisition or retirement for value of any Equity Interests of the Issuer or any Parent Company, following the first public offering of the Issuer's common equity or the

common equity of any Parent Company after the Issue Date, in an amount not to exceed the sum of (A) 6.0% per annum of the net cash proceeds received by or contributed to the Issuer in or from any such public offering, other than public offerings with respect to the Issuer's common stock registered on Form S-4 or Form S-8 and other than any public sale constituting an Excluded Contribution and (B) an aggregate amount per annum not to exceed 7.0% of Market Capitalization;

(ix) Restricted Payments in an amount that does not exceed the aggregate amount of Excluded Contributions;

(x) Restricted Payments in an aggregate amount taken together with all other Restricted Payments made pursuant to this clause (x) not to exceed the greater of (A) $90.0 million and (B) 22.5% of Run-Rate Adjusted EBITDA of the Issuer for the most recently ended Test Period on the date of such Restricted Payment; *provided*, if this clause (x) is utilized to make a Restricted Investment, the amount deemed to be utilized under this clause (x) will be the amount of such Restricted Investment at any time outstanding (with the fair market value of such Investment being measured at the time made and without giving effect to subsequent changes in value, but subject to adjustment as set forth in the definition of "Investments");

(xi) distributions or payments of Securitization Fees;

(xii) any Restricted Payment made in connection with the Transactions and the Refinancing Transactions and the fees and expenses related thereto or owed to Affiliates, including any payments to holders of Equity Interests of Life Time in connection with, or as a result of, their exercise of appraisal rights or the settlement of any claims or actions (whether actual, contingent or potential) related to the Transactions or the Refinancing Transactions;

(xiii) the repurchase, redemption, defeasance, acquisition or retirement for value of any Subordinated Indebtedness pursuant to the provisions similar to those of Sections 4.10 and 4.14; *provided*, (A) at or prior to such repurchase, redemption, defeasance, acquisition or retirement, the Issuer (or a third person permitted by this Indenture) has made any required Change of Control Offer, Alternate Offer or Asset Sale Offer, as applicable, to purchase the Notes on the terms provided in this Indenture applicable to Change of Control Offers, Alternate Offers or Asset Sale Offers, respectively, and (B) all Notes validly tendered by Holders in any such Change of Control Offer, Alternate Offer or Asset Sale Offer, as applicable, have been repurchased, redeemed, acquired or retired for value;

(xiv) the declaration and payment of dividends or distributions by the Issuer or a Restricted Subsidiary to, or the making of loans or advances to, the Issuer or any Parent Company in amounts required for any Parent Company to pay, in each case without duplication:

(A) franchise, excise and similar taxes, and other fees, taxes and expenses required to maintain their corporate or other legal existence;

(B) for any taxable period for which the Issuer and/or any of its Restricted Subsidiaries are members of a consolidated, combined, unitary or similar income tax group for U.S. federal and/or applicable foreign, state or local income tax purposes of which a Parent Company is the common parent (a "Tax Group"), to pay the portion of any U.S. federal, foreign, state and local income taxes of such Tax Group for such taxable period that are attributable to the taxable income of the Issuer and its Restricted Subsidiaries and Unrestricted Subsidiaries; *provided*, that for each taxable period, (1) the amount of such payments made in respect of such taxable period in the aggregate will not exceed the amount that the Issuer and such Restricted Subsidiaries, as applicable, would have been required to pay as stand-alone taxpayers or a stand-alone Tax Group and (2) the amount of such payments made in respect of an Unrestricted Subsidiary will be permitted only to the extent that cash distributions were made by such Unrestricted Subsidiary to the Issuer or any Restricted Subsidiary for such purpose;

(C) salary, bonus, severance and other benefits payable to, and indemnities provided on behalf of, employees, directors, officers, members of management and consultants of any Parent Company and any payroll, social security or similar taxes thereof;

(D) general corporate or other operating, administrative, compliance and overhead costs and expenses (including expenses relating to auditing and other accounting matters) of any Parent Company;

(E) fees and expenses (including ongoing compliance costs and listing expenses) related to any equity or debt offering of a Parent Company (whether or not consummated);

(F) amounts that would be permitted to be paid directly by the Issuer or its Restricted Subsidiaries under Section 4.11 (other than clause (b)(ii)(A) thereof);

(G) interest or principal on Indebtedness the proceeds of which have been contributed to the Issuer or any Restricted Subsidiary or that has been guaranteed by, or is otherwise, considered Indebtedness of, the Issuer or any Restricted Subsidiary incurred in accordance with Section 4.09; and

(H) to finance Investments or other acquisitions otherwise permitted to be made pursuant to this Section 4.07 if made by the Issuer; *provided*, (1) such Restricted Payment must be made within 120 days of the closing of such Investment or other acquisition, (2) such Parent Company must, promptly following the closing thereof, cause (I) all property acquired (whether assets or Equity Interests) to be contributed to the capital of the Issuer or one of its Restricted Subsidiaries or (II) the merger, amalgamation, consolidation, or sale of the Person formed or acquired into the Issuer or one of its Restricted Subsidiaries (to the extent not prohibited by Section 5.01) in order to consummate such Investment or other acquisition, (3) such Parent Company and its Affiliates (other

than the Issuer or a Restricted Subsidiary) receives no consideration or other payment in connection with such transaction except to the extent the Issuer or a Restricted Subsidiary could have given such consideration or made such payment in compliance with this Indenture, (4) any property received by the Issuer may not increase amounts available for Restricted Payments pursuant to Section 4.07(a)(iv)(C) and (5) to the extent constituting an Investment, such Investment will be deemed to be made by the Issuer or such Restricted Subsidiary pursuant to another provision of this Section 4.07 (other than pursuant to Section 4.07(b)(ix)) or pursuant to the definition of "Permitted Investments" (other than clause (9) thereof);

(xv) the distribution, by dividend or otherwise, or other transfer or disposition of shares of Capital Stock of, Equity Interests in, or Indebtedness owed to the Issuer or a Restricted Subsidiary by, Unrestricted Subsidiaries (other than Unrestricted Subsidiaries, substantially all the assets of which are cash and Cash Equivalents);

(xvi) cash payments or loans, advances, dividends or distributions to any Parent Company to make payments, in lieu of issuing fractional shares in connection with share dividends, share splits, reverse share splits, mergers, consolidations, amalgamations or other business combinations and in connection with the exercise of warrants, options or other securities convertible into or exchangeable for Equity Interests of the Issuer, any of its Restricted Subsidiaries or any Parent Company;

(xvii) Restricted Payments, *provided*, after giving *pro forma* effect thereto and the application of the net proceeds therefrom, the Total Net Leverage Ratio for the Test Period immediately preceding such Restricted Payment would be no greater than 4.00 to 1.00;

(xviii) making payments for the benefit of the Issuer or any of its Restricted Subsidiaries to the extent such payments could have been made by the Issuer or any of its Restricted Subsidiaries because such payments (a) would not otherwise be Restricted Payments and (b) would be permitted by Section 4.11;

(xix) payments and distributions to dissenting stockholders pursuant to applicable law, pursuant to or in connection with a consolidation, amalgamation, merger or transfer of all or substantially all of the assets of the Issuer and its Restricted Subsidiaries taken as a whole that complies with the terms of this Indenture or any other transaction that complies with the terms of this Indenture;

(xx) the payment of dividends, other distributions and other amounts by the Issuer to, or the making of loans to, any Parent Company in the amount required for such parent to, if applicable, pay amounts equal to amounts required for any Parent Company, if applicable, to pay interest and/or principal (including AHYDO Payments) on Indebtedness, the proceeds of which have been permanently contributed to the Issuer or any Restricted Subsidiary and that has been guaranteed by, or is otherwise considered Indebtedness of, the Issuer or any Restricted Subsidiary incurred in accordance with this Indenture; *provided* that the aggregate amount of such dividends shall not exceed the amount of cash actually contributed to the Issuer for the incurrence of such Indebtedness;

(xxi) the making of cash payments in connection with any conversion of Convertible Indebtedness of the Issuer or any Restricted Subsidiary in an aggregate amount since June 10, 2015 not to exceed the sum of (a) the principal amount of such Convertible Indebtedness *plus* (b) any payments received by the Issuer or any of its Restricted Subsidiaries pursuant to the exercise, settlement or termination of any related Permitted Bond Hedge Transaction;

(xxii) any payments in connection with (A) a Permitted Bond Hedge Transaction and (B) the settlement of any related Permitted Warrant Transaction (1) by delivery of shares of the Issuer's common stock upon settlement thereof or (2) by (I) set-off against the related Permitted Bond Hedge Transaction or (II) payment of an early termination amount thereof in common stock upon any early termination thereof;

(xxiii) any dividend or other Restricted Payment of or related to the Specified Businesses, including distributions or payments to any Parent Company to fund the payment of taxes by such Parent Company and by the direct or indirect owners of such Parent Company (based on the assumption that all such owners are individuals resident in Los Angeles, California) resulting from the dividend or other Restricted Payment of the Specified Businesses to the direct and indirect owners of any Parent Company;

(xxiv) Restricted Payments in an amount not to exceed 40.0% of the net cash proceeds of any Sale and Lease-Back Transactions consummated after June 10, 2015; *provided* that the aggregate amount of such Restricted Payments may not exceed $100.0 million;*provided, further*, after giving *pro forma* effect thereto and the application of the net proceeds therefrom, the Total Net Leverage Ratio for the Test Period immediately preceding such Restricted Payment would be no greater than 5.10 to 1.00; *provided*, *further*, that 60.0% of the net cash proceeds of such Sale and Lease-Back Transaction are applied to repay Indebtedness (including the Senior Credit Facilities, the Existing Secured Notes or the Notes) incurred under Section 4.09(b)(i) and, in the case of revolving obligations, to correspondingly reduce commitments with respect thereto;

(xxv) Restricted Payments constituting or otherwise made in connection with or relating to any Permitted Reorganization; provided that if immediately after giving pro forma effect to any such Permitted Reorganization and the transactions to be consummated in connection therewith, any distributed asset ceases to be owned by the Issuer or another Restricted Subsidiary (or any entity ceases to be a Restricted Subsidiary), the applicable portion of such Restricted Payment must be otherwise permitted under another provision of this Section 4.07 or as a Permitted Investment (and constitute utilization of such other Restricted Payment or Permitted Investment exception or capacity); and

(xxvi) Restricted Payments made with Excluded Proceeds

provided, at the time of, and after giving effect to, any Restricted Payment permitted under clauses (x), (xv) and (xvii) of this Section 4.07(b), no Default will have occurred and be continuing or would occur as a consequence thereof. For purposes of clauses (vii), (xiv) and (xxiii) of this Section 4.07(b), taxes will include all interest and penalties with respect thereto and all additions thereto.

(c) For purposes of determining compliance with this Section 4.07, in the event that any Restricted Payment or Investment (or a portion thereof) meets the criteria of more than one of the categories of Restricted Payments described in Sections 4.07(a) or 4.07(b) and/or one or more of the clauses contained in the definition of "Permitted Investments", the Issuer will be entitled to divide or classify (or later divide, classify or reclassify in whole or in part in its sole discretion) such Restricted Payment or Investment (or any portion thereof) among Sections 4.07(a) and/or 4.07(b) and/or one or more clauses contained in the definition of "Permitted Investments," in a manner that otherwise complies with this Section 4.07. The amount of all Restricted Payments (other than cash) will be the fair market value on the date the Restricted Payment is made, or at the Issuer's election, the date a commitment is made to make such Restricted Payment, of the assets or securities proposed to be transferred or issued by the Issuer or any Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment. The expansion, remodeling, acquisition, modernization, construction, improvement and repair of facilities (including fitness centers) operated, or expected to be operated, by the Issuer or a Restricted Subsidiary, and financing transactions in connection therewith (including Sale and Lease-Back Transactions) will be deemed to be, in each case, activity in the ordinary course of business or consistent with industry practice of the Issuer and the Restricted Subsidiaries.

(d) As of the Issue Date, all of the Issuer's Subsidiaries (other than the Existing Unrestricted Subsidiaries) will be Restricted Subsidiaries. The Issuer will not permit any Unrestricted Subsidiary to become a Restricted Subsidiary except pursuant to the penultimate sentence of the definition of "Unrestricted Subsidiary." For purposes of designating any Restricted Subsidiary as an Unrestricted Subsidiary, all outstanding Investments by the Issuer and its Restricted Subsidiaries (except to the extent repaid) in the Subsidiary so designated will be deemed to be Restricted Payments or Permitted Investments in an amount determined as set forth in the penultimate sentence of the definition of "Investments." Such designation will be permitted only if a Restricted Payment in such amount would be permitted at such time pursuant to this Section 4.07 or if an Investment would be permitted at such time, pursuant to the definition of "Permitted Investments," and if such Subsidiary otherwise meets the definition of an Unrestricted Subsidiary. The Existing Unrestricted Subsidiaries will be Unrestricted Subsidiaries on the Issue Date and will not need to comply with the preceding sentence or the definition of "Unrestricted Subsidiary" to be Unrestricted Subsidiaries and any Restricted Payments or Investments made in connection with or related to the Existing Unrestricted Subsidiaries prior to the Issue Date will constitute Investments existing on the Issue Date under clause (5) of the definition of "Permitted Investments." Unrestricted Subsidiaries will not be subject to any of the restrictive covenants set forth in this Indenture. For the avoidance of doubt, this Section 4.07 will not restrict the making of any AHYDO Payment with respect to, and required by the terms of, any Indebtedness of the Issuer or any Restricted Subsidiary permitted to be incurred under the terms of this Indenture.

SECTION 4.08. Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries.

(a) The Issuer will not, and will not permit any Restricted Subsidiary that is not a Guarantor to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any consensual encumbrance or consensual restriction on the ability of any such Restricted Subsidiary to:

(i) (A) pay dividends or make any other distributions to the Issuer or any Restricted Subsidiary that is a Guarantor on its Capital Stock or with respect to any other interest or participation in, or measured by, its profits, or

(B) pay any Indebtedness owed to the Issuer or to any Restricted Subsidiary that is a Guarantor;

(ii) make loans or advances to the Issuer or to any Restricted Subsidiary that is a Guarantor; or

(iii) sell, lease or transfer any of its properties or assets to the Issuer or to any Restricted Subsidiary that is a Guarantor;

provided, dividend or liquidation priority between classes or series of Capital Stock, and the subordination of any Obligation (including the application of any remedy bars thereto) to any other Obligation will not be deemed to constitute such an encumbrance or restriction.

(b) The restrictions in Section 4.08(a) will not apply to encumbrances or restrictions existing under or by reason of:

(i) encumbrances or restrictions in effect on the Issue Date, including pursuant to the Senior Credit Facilities and the related documentation, the Existing Secured Notes, Existing Secured Notes Indenture and the guarantees thereof, and Hedging Obligations and the related documentation;

(ii) this Indenture, the Notes and the guarantees thereof;

(iii) Purchase Money Obligations and Capitalized Lease Obligations that impose restrictions of the nature discussed in Section 4.08(a)(iii) on the property so acquired;

(iv) applicable law or any applicable rule, regulation or order;

(v) any agreement or other instrument of a Person, or relating to Indebtedness or Equity Interests of a Person, acquired by or merged, amalgamated or consolidated with and into the Issuer or any Restricted Subsidiary or an Unrestricted Subsidiary that is designated as a Restricted Subsidiary, or any other transaction entered into in connection with any such acquisition, merger, consolidation or amalgamation in existence at the time

of such acquisition or at the time it merges, amalgamates or consolidates with or into the Issuer or any Restricted Subsidiary or an Unrestricted Subsidiary that is designated as a Restricted Subsidiary or assumed in connection with the acquisition of assets from such Person (but, in any such case, not created in contemplation thereof), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person so acquired and its Subsidiaries, or the property or assets of the Person so acquired or designated and its Subsidiaries or the property or assets so acquired or designated;

(vi) contracts or agreements for the sale or disposition of assets, including any restrictions with respect to a Subsidiary of the Issuer pursuant to an agreement that has been entered into for the sale or disposition of all or substantially all of the Capital Stock or assets of such Subsidiary;

(vii) Secured Indebtedness otherwise permitted to be incurred pursuant to Sections 4.09 and 4.12 that limit the right of the debtor to dispose of assets or incur Liens;

(viii) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business or consistent with industry practice or arising in connection with any Permitted Liens;

(ix) Indebtedness, Disqualified Stock or Preferred Stock of Restricted Subsidiaries that are not Guarantors permitted to be incurred subsequent to the Issue Date pursuant to Section 4.09;

(x) provisions in joint venture agreements and other similar agreements (including equity holder agreements) relating to such joint venture or its members or entered into in the ordinary course of business or consistent with industry practice;

(xi) customary provisions contained in leases, sub-leases, licenses, sub-licenses, Equity Interests or similar agreements, including with respect to intellectual property and other agreements;

(xii) restrictions created in connection with any Qualified Securitization Facility that, in the good faith determination of the Issuer, are necessary or advisable to effect such Qualified Securitization Facility;

(xiii) restrictions or conditions contained in any trading, netting, operating, construction, service, supply, purchase, sale or other agreement to which the Issuer or any Restricted Subsidiary is a party entered into in the ordinary course of business or consistent with industry practice; *provided*, such agreement prohibits the encumbrance of solely the property or assets of the Issuer or such Restricted Subsidiary that are the subject to such agreement, the payment rights arising thereunder or the proceeds thereof and does not extend to any other asset or property of the Issuer or such Restricted Subsidiary or the assets or property of another Restricted Subsidiary;

(xiv) customary provisions restricting subletting or assignment of any lease governing a leasehold interest of any Restricted Subsidiary;

(xv) customary provisions restricting assignment of any agreement;

(xvi) restrictions arising in connection with cash or other deposits permitted under Section 4.12;

(xvii) any other agreement or instrument governing any Indebtedness, Disqualified Stock, or Preferred Stock permitted to be incurred or issued pursuant to Section 4.09 entered into after the Issue Date that contains encumbrances and restrictions that either (A) are no more restrictive in any material respect, taken as a whole, with respect to any Restricted Subsidiary than (1) the restrictions contained in this Indenture, the Existing Secured Notes Indenture or the Senior Credit Facilities as of the Issue Date or (2) those encumbrances and other restrictions that are in effect on the Issue Date with respect to that Restricted Subsidiary pursuant to agreements in effect on the Issue Date, (B) are not materially more disadvantageous, taken as a whole, to the Holders than is customary in comparable financings for similarly situated issuers or (C) will not materially impair the Issuer's ability to make payments on the Notes when due, in each case in the good faith judgment of the Issuer;

(xviii) (A) Indebtedness and Liens in existence on the Issue Date, including in respect of Existing Mortgage Debt, and Indebtedness permitted to be incurred pursuant to Section 4.09(b)(iv)(B) and (B) agreements entered into in connection with a Sale and Lease-Back Transaction entered into in the ordinary course of business or consistent with industry practice;

(xix) customary restrictions and conditions contained in documents relating to any Lien so long as (A) such Lien is a Permitted Lien and such restrictions or conditions relate only to the specific asset subject to such Lien and (B) such restrictions and conditions are not created for the purpose of avoiding the restrictions imposed by this Section 4.08;

(xx) any encumbrance or restriction with respect to a Restricted Subsidiary that was previously an Unrestricted Subsidiary which encumbrance or restriction exists pursuant to or by reason of an agreement that such Subsidiary is a party to or entered into before the date on which such Subsidiary became a Restricted Subsidiary; *provided*, such agreement was not entered into in anticipation of an Unrestricted Subsidiary becoming a Restricted Subsidiary and any such encumbrance or restriction does not extend to any assets or property of the Issuer or any other Restricted Subsidiary other than the assets and property of such Subsidiary;

(xxi) any encumbrances or restrictions of the type referred to in clauses (i), (ii) and (iii) of Section 4.08(a) imposed by any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of the contracts, instruments or obligations referred to in clauses (i) through (xx) of this Section 4.08(b); *provided*, such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are, in the good faith judgment of the Issuer, no more restrictive in any material respect with respect to such encumbrance and other restrictions taken as a whole than those prior to such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing;

(xxii) existing under, by reason of or with respect to Refinancing Indebtedness;*provided* that the encumbrances and restrictions contained in the agreements governing that Refinancing Indebtedness are, in the good faith judgment of the Issuer, not materially more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being refinanced; and

(xxiii) applicable law or any applicable rule, regulation or order in any jurisdiction where Indebtedness, Disqualified Stock or Preferred Stock of Foreign Subsidiaries permitted to be incurred pursuant to the provisions of Section 4.09 is incurred.

SECTION 4.09. Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock.

(a) The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise (collectively, "incur" and an incidence thereof, an "incurrence") with respect to any Indebtedness (including Acquired Indebtedness) and the Issuer will not issue any shares of Disqualified Stock and will not permit any Restricted Subsidiary to issue any shares of Disqualified Stock or Preferred Stock; *provided*, the Issuer may incur Indebtedness (including Acquired Indebtedness) or issue shares of Disqualified Stock, and any Restricted Subsidiary may incur Indebtedness (including Acquired Indebtedness), issue shares of Disqualified Stock and issue shares of Preferred Stock, if the Fixed Charge Coverage Ratio of the Issuer for the Issuer's most recently ended Test Period preceding the date on which such additional Indebtedness is incurred or such Disqualified Stock or Preferred Stock is issued (or, in the case of Indebtedness under Designated Revolving Commitments, on the date such Designated Revolving Commitments are established after giving *pro forma* effect to the incurrence of the entire committed amount of Indebtedness thereunder, in which case such committed amount under such Designated Revolving Commitments may thereafter be borrowed and reborrowed, in whole or in part, from time to time, without further compliance with this proviso) would have been at least 2.00 to 1.00, determined on a *pro forma* basis (including a *pro forma* application of the net proceeds therefrom), as if the additional Indebtedness had been incurred, or the Disqualified Stock or Preferred Stock had been issued, as the case may be, and the application of proceeds therefrom had occurred at the beginning of such Test Period; *provided, further*, Restricted Subsidiaries of the Issuer that are not Guarantors may not incur Indebtedness or issue Disqualified Stock or Preferred Stock under this paragraph if, after giving *pro forma* effect to such incurrence (including a *pro forma* application of the net proceeds therefrom), the aggregate amount of Indebtedness and Disqualified Stock and Preferred Stock of Restricted Subsidiaries that are not Guarantors incurred or issued pursuant to this paragraph then outstanding would exceed the greater of (x) $120.0 million and (y) 30% of Run-Rate Adjusted EBITDA of the Issuer for the most recently ended Test Period on the date of such incurrence or issuance.

(b) The provisions of Section 4.09(a) hereof will not apply to:

(i) the incurrence of Indebtedness pursuant to Credit Facilities by the Issuer or any Restricted Subsidiary and the issuance and creation of drawn letters of credit and bankers' acceptances thereunder (with drawn letters of credit and bankers' acceptances being deemed to have a principal amount equal to the face amount thereof) in an aggregate principal amount at any one time outstanding not to exceed the sum of (A) $1,535.0 million and (B) the Permitted Incremental Amount; *provided*, that any Indebtedness incurred under this Section 4.09(b)(i) may be refinanced with additional Indebtedness in an amount equal to the principal of the Indebtedness so refinanced, plus any additional amount to pay premiums (including tender premiums), accrued and unpaid interest, expenses, defeasance costs and fees in connection therewith;

(ii) the incurrence by the Issuer and any Guarantor of Indebtedness represented by the Notes and the Guarantees (but excluding any Additional Notes);

(iii) the incurrence of Indebtedness by the Issuer and any Restricted Subsidiary in existence on the Issue Date (excluding Indebtedness described in clauses (i) and (ii) of this Section 4.09(b), but including the Existing Secured Notes and Indebtedness in respect of Existing Mortgage Debt);

(iv) (A) the incurrence of Attributable Indebtedness, (B) Indebtedness (including Capitalized Lease Obligations and Purchase Money Obligations) and Disqualified Stock incurred or issued by the Issuer or any Restricted Subsidiary and Preferred Stock issued by any Restricted Subsidiary to finance (x) the construction of the Life Time Living facility in Henderson, Nevada and (y) the purchase, lease, expansion, construction, installation, replacement, repair or improvement of property (real or personal), equipment or other assets, including assets that are used or useful in a Similar Business, whether through the direct purchase of assets or the Capital Stock of any Person owning such assets in an aggregate principal amount, together with any Refinancing Indebtedness in respect thereof (excluding any Incremental Amounts) and all other Indebtedness, Disqualified Stock and/or Preferred Stock incurred or issued and outstanding under this clause (iv)(B)(y) at such time, not to exceed the greater of (1) $120.0 million and (2) 30% of Run-Rate Adjusted EBITDA of the Issuer for the most recently ended Test Period on the date of such incurrence and (C) any Refinancing Indebtedness thereof (it being understood that any Indebtedness, Disqualified Stock or Preferred Stock incurred or issued pursuant to this clause (iv) will cease to be deemed incurred, issued or outstanding for purposes of this clause (iv) but will be deemed incurred or issued for the purposes of Section 4.09(a), clause (3) or (4) of the Permitted Incremental Amount under clause (i)(B) or clause (xxxi) of this Section 4.09(b) from and after the first date on which the Issuer or such Restricted Subsidiary could have incurred or issued such Indebtedness, Disqualified Stock or Preferred Stock under clause (3) or (4) of the Permitted Incremental Amount under clause (i)(B) or clause (xxxi) of this Section 4.09(b) or Section 4.09(a) without reliance on this clause (iv));

(v) (A) Indebtedness incurred by the Issuer or any Restricted Subsidiary constituting reimbursement obligations with respect to letters of credit, bank guarantees, banker's acceptances, warehouse receipts, or similar instruments issued or entered into, or relating to obligations or liabilities incurred, in the ordinary course of business or consistent with industry practice, including in respect of workers' compensation claims, performance, completion or surety bonds, health, disability or other employee benefits or property, casualty or liability insurance or self-insurance, unemployment insurance or other social security legislation or other Indebtedness with respect to reimbursement-type obligations regarding workers' compensation claims, performance, completion or surety bonds, health, disability or other employee benefits or property, casualty or liability insurance or self-insurance and (B) the incurrence of Indebtedness by the Issuer or any Restricted Subsidiary as an account party in respect of letters of credit, bank guarantees or similar instruments in favor of suppliers, trade creditors or other Persons incurred in the ordinary course of business or consistent with industry practice;

(vi) the incurrence of Indebtedness arising from agreements of the Issuer or any Restricted Subsidiary providing for indemnification, adjustment of purchase price, earnouts or similar obligations, in each case, incurred or assumed in connection with the acquisition or disposition of any business, assets or a Subsidiary, other than guarantees of Indebtedness incurred by any Person acquiring all or any portion of such business, assets or a Subsidiary for the purpose of financing such acquisition;

(vii) the incurrence of Indebtedness or the issuance of Disqualified Stock of the Issuer to a Restricted Subsidiary (or to any Parent Company which is substantially contemporaneously transferred to the Issuer or any Restricted Subsidiary); *provided*, any such Indebtedness for borrowed money owing or shares of Disqualified Stock issued to a Restricted Subsidiary that is not a Guarantor is expressly subordinated in right of payment to the Notes to the extent permitted by applicable law and it does not result in adverse tax consequences; *provided, further*, any subsequent issuance or transfer of any Capital Stock or any other event that results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such Indebtedness or shares of Disqualified Stock (except to the Issuer or another Restricted Subsidiary or any pledge of such Indebtedness constituting a Permitted Lien) will be deemed, in each case, to be an incurrence of such Indebtedness (to the extent such Indebtedness is then outstanding) or issuance of Disqualified Stock, as applicable, not permitted by this clause (vii);

(viii) the incurrence of Indebtedness of a Restricted Subsidiary to the Issuer or another Restricted Subsidiary (or to any Parent Company which is substantially contemporaneously transferred to the Issuer or any Restricted Subsidiary); *provided*, any such Indebtedness for borrowed money incurred by a Guarantor and owing to a Restricted Subsidiary that is not a Guarantor is expressly subordinated in right of payment to the Guarantee of the Notes of such Guarantor to the extent permitted by

applicable law and it does not result in adverse tax consequences; *provided, further*, that any subsequent issuance or transfer of any Capital Stock or any other event which results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any such subsequent transfer of any such Indebtedness (except to the Issuer or another Restricted Subsidiary or any pledge of such Indebtedness constituting a Permitted Lien) will be deemed, in each case, to be an incurrence of such Indebtedness (to the extent such Indebtedness is then outstanding) not permitted by this clause (viii);

(ix) the issuance of Shares of Preferred Stock or Disqualified Stock of a Restricted Subsidiary issued to the Issuer or another Restricted Subsidiary; *provided*, any subsequent issuance or transfer of any Capital Stock or any other event that results in any such Restricted Subsidiary that holds such Preferred Stock or Disqualified Stock ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such shares of Preferred Stock or Disqualified Stock (except to the Issuer or another Restricted Subsidiary or any pledge of such Indebtedness constituting a Permitted Lien) will be deemed, in each case, to be an issuance of such shares of Preferred Stock or Disqualified Stock (to the extent such Preferred Stock is then outstanding) not permitted by this clause (ix);

(x) the incurrence of Hedging Obligations (excluding Hedging Obligations entered into for speculative purposes);

(xi) the incurrence of Obligations in respect of self-insurance and Obligations in respect of performance, bid, appeal and surety bonds and performance, banker's acceptance facilities and completion guarantees, indemnifications and similar obligations provided by the Issuer or any Restricted Subsidiary or Obligations in respect of letters of credit, bank guarantees, non-recourse carve-outs or similar instruments related thereto, in each case in the ordinary course of business or consistent with industry practice, including those incurred to secure health, safety and environmental obligations;

(xii) (A) the incurrence of Indebtedness or Disqualified Stock of the Issuer and Indebtedness, Disqualified Stock or Preferred Stock of any Restricted Subsidiary in an aggregate principal amount or liquidation preference at any one time outstanding of up to (1) 200.0% of the net cash proceeds received by the Issuer and its Restricted Subsidiaries since June 10, 2015 from the issue or sale of Equity Interests of the Issuer and the Guarantors or contributions to the capital of the Issuer and the Guarantors including through consolidation, amalgamation or merger (in each case, other than proceeds of Disqualified Stock or sales of Equity Interests to the Issuer or any Subsidiary) as determined in accordance with clauses (iv)(C)(2) and (iv)(C)3) of Section 4.07(a) and (2) 100.0% of the principal amount of Indebtedness of the Issuer and its Subsidiaries that is converted into Equity Interests (other than Disqualified Stock or sales of Equity Interests to the Issuer or any Subsidiary or any Equity Interests that are preferred shares that bear a cash-pay dividend), to the extent such net cash proceeds or cash have not been applied pursuant to such clauses to make Restricted Payments pursuant to Section 4.07(a); and

(B) the incurrence of Indebtedness or Disqualified Stock of the Issuer and Indebtedness, Disqualified Stock or Preferred Stock of any Restricted Subsidiary in an aggregate principal amount or liquidation preference that, when aggregated with the principal amount and liquidation preference of all other Indebtedness, Disqualified Stock and Preferred Stock then outstanding and incurred or issued, as applicable, pursuant to this clause (xii)(B), does not, together with any Refinancing Indebtedness in respect thereof (excluding any Incremental Amounts), exceed the greater of (x) $120.0 million and (y) 30% of Run-Rate Adjusted EBITDA of the Issuer for the most recently ended Test Period on the date of such incurrence (and any Refinancing Indebtedness thereof); plus, in the event of any extension, replacement, refinancing, renewal or defeasance of any such Indebtedness or Disqualified Stock, an amount equal to the amount of any premium required to be paid under the terms of the instrument governing such Indebtedness, Disqualified Stock or Preferred Stock and any defeasance costs and any fees and expenses (including original issue discount, upfront fees or similar fees) incurred in connection with the issuance of such new Indebtedness or the extension, replacement, refunding, refinancing, renewal or defeasance of such Indebtedness or Disqualified Stock;

it being understood that any Indebtedness, Disqualified Stock or Preferred Stock incurred or issued pursuant to this clause (xii) will cease to be deemed incurred, issued or outstanding for purposes of this clause (xii) but will be deemed incurred or issued for the purposes of Section 4.09(a), clause (3) or (4) of the Permitted Incremental Amount under clause (i)(B) or clause (xxxi) of this Section 4.09(b) from and after the first date on which the Issuer or such Restricted Subsidiary could have incurred or issued such Indebtedness, Disqualified Stock or Preferred Stock under clause (3) or (4) of the Permitted Incremental Amount under clause (i)(B) or clause (xxxi) of this Section 4.09(b) or Section 4.09(a) without reliance on this clause (xii);

(xiii) the incurrence by the Issuer of Indebtedness or Disqualified Stock or the incurrence by a Restricted Subsidiary of Indebtedness, Disqualified Stock or Preferred Stock that serves to refund, refinance, extend, replace, renew or defease (collectively, "refinance" with "refinances," "refinanced," and "refinancing" having a correlative meaning) any Indebtedness (including any Designated Revolving Commitments) incurred or Disqualified Stock or Preferred Stock issued as permitted under Section 4.09(a) and clauses (ii), (iii), (iv) and (xii)(A) of this Section 4.09(b), this clause (xiii) and clauses (xiv), (xxiii) and (xxxi) of this Section 4.09(b) or any successive Refinancing Indebtedness with respect to any of the foregoing;

(xiv) the incurrence of:

(A) Indebtedness or Disqualified Stock of the Issuer or Indebtedness, Disqualified Stock or Preferred Stock of a Restricted Subsidiary incurred or issued to finance an acquisition or Investment (or other purchase of assets) or that is assumed by the Issuer or any Restricted Subsidiary in connection with such acquisition or Investment; and

(B) Indebtedness, Disqualified Stock or Preferred Stock of Persons that are acquired by the Issuer or any Restricted Subsidiary or merged into, amalgamated or consolidated with the Issuer or a Restricted Subsidiary in accordance with the terms of this Indenture;

provided, in the case of (A) and (B), either:

(1) after giving *pro forma* effect to such acquisition, amalgamation, consolidation or merger, either (I) the Issuer would be permitted to incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio Test; (II) the Fixed Charge Coverage Ratio for the Issuer is equal to or greater than immediately prior to such acquisition, amalgamation, consolidation or merger; or (III) the Total Net Leverage Ratio for the Issuer is equal to or less than immediately prior to such acquisition, amalgamation, consolidation or merger; or

(2) Indebtedness, Disqualified Stock or Preferred Stock does not exceed the greater of (I) $120.0 million and (II) 30% of Run-Rate Adjusted EBITDA of the Issuer for the most recently ended Test Period on the date of such incurrence, in the aggregate at any one time outstanding, together with all other outstanding Indebtedness, Disqualified Stock or Preferred Stock issued under this clause (2) and any outstanding Indebtedness under clause (xiii) of this Section 4.09(b) incurred to refinance Indebtedness initially incurred in reliance on this clause (2) (it being understood that any Indebtedness, Disqualified Stock or Preferred Stock incurred pursuant to this clause (2) will cease to be deemed incurred or outstanding for purposes of this clause (2) but will be deemed incurred pursuant to Section 4.09(a), clause (3) or (4) of the Permitted Incremental Amount under clause (i)(B) of this Section 4.09(b), clause (1) of this Section 4.09(b)(xiv) or clause (xxxi) of this Section 4.09(b) from and after the first date on which the Issuer or such Restricted Subsidiary could have incurred such Indebtedness, Disqualified Stock or Preferred Stock under Section 4.09(a), clause (3) or (4) of the Permitted Incremental Amount under clause (i)(B) of this Section 4.09(b), clause (1) of this Section 4.09(b)(xiv) or clause (xxxi) of this Section 4.09(b));

(xv) the incurrence of Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business or consistent with industry practice;

(xvi) the incurrence of Indebtedness of the Issuer or any Restricted Subsidiary supported by a letter of credit or bank guarantee issued pursuant to any Credit Facility, in a principal amount not in excess of the stated amount of such letter of credit or bank guarantee;

(xvii) (A) the incurrence of any guarantee by the Issuer or a Restricted Subsidiary of Indebtedness or other obligations of the Issuer or any Restricted Subsidiary so long as the incurrence of such Indebtedness or other obligations incurred by the Issuer or such Restricted Subsidiary is permitted under the terms of this Indenture, or (B) any co-issuance by the Issuer or any Restricted Subsidiary of any Indebtedness or other obligations of the Issuer or any Restricted Subsidiary so long as the incurrence of such Indebtedness or other obligations by the Issuer or such Restricted Subsidiary was permitted under the terms of this Indenture;

(xviii) the incurrence of Indebtedness issued by the Issuer or any Restricted Subsidiary to future, present or former employees, directors, officers, members of management and consultants thereof, their respective Controlled Investment Affiliates or Immediate Family Members and permitted transferees thereof, in each case to finance the purchase or redemption of Equity Interests of the Issuer or any Parent Company to the extent described in Section 4.07(b)(iv);

(xix) customer deposits and advance payments received in the ordinary course of business or consistent with industry practice from customers for goods and services purchased in the ordinary course of business or consistent with industry practice;

(xx) the incurrence of (A) Indebtedness owed to banks and other financial institutions incurred in the ordinary course of business or consistent with industry practice in connection with ordinary banking arrangements to manage cash balances of the Issuer and its Restricted Subsidiaries and (B) Indebtedness in respect of Cash Management Services, including Cash Management Obligations;

(xxi) Indebtedness incurred by a Restricted Subsidiary in connection with bankers' acceptances, discounted bills of exchange or the discounting or factoring of receivables for credit management purposes, in each case incurred or undertaken in the ordinary course of business or consistent with industry practice on arm's length commercial terms;

(xxii) the incurrence of Indebtedness of the Issuer or any Restricted Subsidiary consisting of (A) the financing of insurance premiums or (B) take-or-pay obligations contained in supply arrangements in each case, incurred in the ordinary course of business or consistent with industry practice;

(xxiii) the incurrence of Indebtedness or Disqualified Stock by Restricted Subsidiaries of the Issuer that are not Guarantors in an amount not to exceed and together with any other Indebtedness incurred and outstanding under this clause (xxiii) the greater of (A) $120.0 million and (B) 30% of Run-Rate Adjusted EBITDA of the Issuer for the most recently ended Test Period on the date of such incurrence and any Refinancing Indebtedness thereof; it being understood that any Indebtedness or Disqualified Stock deemed incurred or issued pursuant to this clause (xxiii) will cease to be deemed incurred, issued or outstanding for the purpose of this clause (xxiii) but will be deemed incurred or issued for the purposes of this Section 4.09(a), clause (3) or (4) of the Permitted Incremental Amount under clause (i)(B) or clause (xxxi) of this Section 4.09(b) from and after the first date on which the Issuer or such Restricted Subsidiaries could have incurred such Indebtedness or Disqualified Stock under clause (3) or (4) of the Permitted Incremental Amount under clause (i)(B) or clause (xxxi) of this Section 4.09(b) or Section 4.09(a) without reliance on this clause (xxiii);

(xxiv) the incurrence of Indebtedness by the Issuer or any Restricted Subsidiary undertaken in connection with cash management (including netting services, automatic clearinghouse arrangements, overdraft protections, employee credit card programs and related or similar services or activities with respect to the Issuer or any Subsidiary thereof or joint venture in the ordinary course of business or consistent with industry practice, including with respect to financial accommodations of the type described in the definition of Cash Management Services);

(xxv) the incurrence of Indebtedness by the Issuer or any Restricted Subsidiary to the extent that the net proceeds thereof are promptly deposited with the Trustee to satisfy and discharge the Notes in accordance with this Indenture;

(xxvi) guarantees incurred in the ordinary course of business or consistent with industry practice in respect of obligations to suppliers, customers, franchisees, lessors, licensees, sub-licensees and distribution partners and guarantees incurred in connection with construction, design and development projects;

(xxvii) the incurrence of Indebtedness attributable to (but not incurred to finance) the exercise of appraisal rights or the settlement of any claims or actions (whether actual, contingent or potential) with respect to the Transactions or any other acquisition (by merger, consolidation or amalgamation or otherwise) in accordance with the terms of this Indenture;

(xxviii) the incurrence of Indebtedness representing deferred compensation to employees of any Parent Company, the Issuer or any Restricted Subsidiary, including Indebtedness consisting of obligations under deferred compensation or any other similar arrangements incurred in connection with the Transactions, any Investment or any acquisition (by merger, consolidation or amalgamation or otherwise) permitted under this Indenture;

(xxix) the incurrence of Indebtedness arising out of any Sale and Lease-Back Transaction incurred in the ordinary course of business or consistent with industry practice;

(xxx) the incurrence of mortgage Indebtedness on fee-owned or ground leased real property that is not Material Real Property;

(xxxi) the incurrence of Indebtedness (including Acquired Indebtedness) or issuance of Disqualified Stock or Preferred Stock so long as, after giving *pro forma* effect thereto and the application of the net proceeds therefrom, the Total Net Leverage Ratio of the Issuer for the Issuer's most recently ended Test Period preceding the date on which such additional Indebtedness is incurred or such Disqualified Stock or Preferred Stock is issued (or, in the case of Indebtedness under Designated Revolving Commitments, on the date such Designated Revolving Commitments are established after giving *pro forma* effect to the incurrence of the entire committed amount of Indebtedness thereunder, in which case such committed amount under such Designated Revolving Commitments may thereafter be borrowed and reborrowed, in whole or in part, from time to time, without further compliance with this proviso) would be no greater than 5.10:1.00;

(xxxii) Indebtedness incurred or Disqualified Stock or Preferred Stock issued on behalf of, or representing guarantees of Indebtedness, Disqualified Stock or Preferred Stock of, any joint ventures and together with any other Indebtedness incurred and outstanding under this clause (xxxii) not to exceed the greater of (A) $40.0 million and (B) 10% of Run-Rate Adjusted EBITDA of the Issuer for the most recently ended Test Period on the date of such incurrence and any Refinancing Indebtedness thereof; it being understood that any Indebtedness, Disqualified Stock or Preferred Stock deemed incurred or issued pursuant to this clause (xxxii) will cease to be deemed incurred, issued or outstanding for the purpose of this clause (xxxii) but will be deemed incurred or issued for the purposes of Section 4.09(a), clause (3) or (4) of the Permitted Incremental Amount under clause (i)(B) or clause (xxxi) of this Section 4.09(b) from and after the first date on which the Issuer or such Restricted Subsidiaries could have incurred such Indebtedness, Disqualified Stock or Preferred Stock under clause (3) or (4) of the Permitted Incremental Amount under clause (i)(B) or clause (xxxi) of this Section 4.09(b) or Section 4.09(a) without reliance on this clause (xxxii); and

(xxxiii) all premiums (if any), interest (including post-petition interest), fees, expenses, charges and additional or contingent interest on obligations described in clauses (i) through (xxxii) of this Section 4.09(b).

(c) For purposes of determining compliance with this Section 4.09:

(i) in the event that an item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) at any time, whether at the time of incurrence or upon the application of all or a portion of the proceeds thereof or subsequently, meets the criteria of more than one of the categories of permitted Indebtedness, Disqualified Stock or Preferred Stock described in clauses (i) through (xxxiii) of Section 4.09(b) or is entitled to be incurred pursuant to Section 4.09(a), the Issuer, in its sole discretion, may divide and classify and may subsequently re-divide and reclassify such item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) and will only be required to include the amount and type of such Indebtedness, Disqualified Stock or Preferred Stock (or a portion thereof) in such of the above clauses or under Section 4.09(a) as determined by the Issuer at such time, including any division, classification, redivision and reclassification among any ratio-based baskets, dollar-based baskets and baskets based on Run-Rate Adjusted EBITDA; *provided*, all Indebtedness outstanding under the Credit Facilities on the Issue Date will, at all times, be treated as incurred on the Issue Date under Section 4.09(b)(i)(A) and may not be reclassified;

(ii) the Issuer is entitled to divide and classify an item of Indebtedness, Disqualified Stock or Preferred Stock in more than one of the types of Indebtedness, Disqualified Stock or Preferred Stock described in Section 4.09(a) and Section 4.09(b), subject to the proviso to Section 4.09(c)(i);

(iii) the principal amount of Indebtedness and the amount of Disqualified Stock or Preferred Stock outstanding under any clause of this Section 4.09 will be determined after giving effect to the application of proceeds of any such Indebtedness, Disqualified Stock or Preferred Stock to refinance any such other Indebtedness, Disqualified Stock or Preferred Stock;

(iv) in the event an item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) is incurred or issued pursuant to Section 4.09(b) on the same date that an item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) is incurred or issued under Section 4.09(a), clause (3) or (4) of the Permitted Incremental Amount under clause (i)(B) or clause (xxxi) of Section 4.09(b), then the Fixed Charge Coverage Ratio, or applicable leverage ratio, will be calculated with respect to such incurrence under Section 4.09(a), clause (3) or (4) of the Permitted Incremental Amount under clause (i)(B) or clause (xxxi) of Section 4.09(b) without regard to any incurrence under Section 4.09(b) (other than with respect to any incurrence under clause (3) or (4) of the Permitted Incremental Amount under clause (i)(B) or clause (xxxi) of Section 4.09(b)). Unless the Issuer elects otherwise, the incurrence of Indebtedness, Disqualified Stock or Preferred Stock will be deemed incurred or issued first under Section 4.09(a), clause (3) or (4) of the Permitted Incremental Amount under clause (i)(B) or clause (xxxi) of Section 4.09(b) to the extent permitted, with the balance incurred under Section 4.09(b) (other than pursuant to clause (3) or (4) of the Permitted Incremental Amount under clause (i)(B) or clause (xxxi) of Section 4.09(b)); and

(v) guarantees of, or obligations in respect of letters of credit relating to, Indebtedness that are otherwise included in the determination of a particular amount of Indebtedness that will not be included in the determination of such amount of Indebtedness; *provided* that the incurrence of the Indebtedness represented by such guarantee or letter of credit, as the case may be, was incurred in compliance with this Section 4.09.

Accrual of interest or dividends, the accretion of accreted value, the accretion or amortization of original issue discount, and the payment of interest or dividends in the form of additional Indebtedness, Disqualified Stock or Preferred Stock and increases in the amount of Indebtedness outstanding solely as a result of fluctuations in the exchange rate of currencies, will, in each case, not be deemed to be an incurrence of Indebtedness or an issuance of Disqualified Stock or Preferred Stock for purposes of this Section 4.09. Any Indebtedness incurred to refinance Indebtedness, Disqualified Stock or Preferred Stock incurred pursuant to Sections 4.09(b)(ii), (iii), (iv), (xii), (xiii), (xiv) and (xxiii) will be permitted to include additional Indebtedness, Disqualified Stock or Preferred Stock incurred to pay accrued but unpaid interest and dividends and premiums (and with respect to Indebtedness under Designated Revolving Commitments, including an amount equal to any unutilized Designated Revolving Commitments being refinanced to the extent permanently terminated at the time of incurrence of such Refinancing Indebtedness and reasonable tender premiums), defeasance costs and fees and expenses incurred in connection with such refinancing.

For purposes of determining compliance with any U.S. dollar-denominated restriction on the incurrence of Indebtedness or issuance of Disqualified Stock or Preferred Stock, the U.S. dollar-equivalent principal amount of Indebtedness, Disqualified Stock or Preferred Stock denominated in a foreign currency will be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness, Disqualified Stock or Preferred Stock was incurred, in the case of term debt, or first committed or first incurred (whichever yields the lower U.S. dollar equivalent), in the case of revolving credit debt; *provided* if such Indebtedness is incurred or Disqualified Stock or Preferred Stock is issued, to refinance other Indebtedness, Disqualified Stock or Preferred Stock, as applicable, denominated in a foreign currency, and such refinancing would cause the applicable U.S. dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such U.S. dollar-denominated restriction will be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness, Disqualified Stock or Preferred Stock does not exceed (1) the principal amount of such Indebtedness, Disqualified Stock or Preferred Stock, as applicable, being refinanced *plus* (2) the aggregate amount of accrued but unpaid interest, fees, underwriting discounts, defeasance costs, premiums (including tender premiums) and other costs and expenses (including original issue discount, upfront fees or similar fees) incurred in connection with such refinancing.

The principal amount of any Indebtedness incurred or Disqualified Stock or Preferred Stock issued to refinance other Indebtedness, Disqualified Stock or Preferred Stock, if incurred in a different currency from the Indebtedness, Disqualified Stock or Preferred Stock, as applicable, being refinanced, will be calculated based on the currency exchange rate applicable to the currencies in which such respective Indebtedness, Disqualified Stock or Preferred Stock is denominated that is in effect on the date of such refinancing. The principal amount of any non-interest bearing Indebtedness or other discount security constituting Indebtedness at any date will be the principal amount thereof that would be shown on a balance sheet of the Issuer dated such date prepared in accordance with GAAP.

The Issuer will not, and will not permit any Guarantor to, directly or indirectly, incur any Indebtedness (including Acquired Indebtedness) that is contractually subordinated or junior in right of payment to any Indebtedness of the Issuer or such Guarantor, as the case may be, unless such Indebtedness is expressly subordinated in right of payment to the Notes or such Guarantor's Guarantee to the extent and in the same manner as such Indebtedness is subordinated to other Indebtedness of the Issuer or such Guarantor, as the case may be.

For purposes of this Indenture, (1) unsecured Indebtedness will not be deemed to be subordinated or junior to Secured Indebtedness merely because it is unsecured, (2) Indebtedness will not be deemed to be subordinated or junior to any other Indebtedness merely because it is issued or guaranteed by other obligors or (3) Secured Indebtedness will not be deemed to be subordinated or junior to any other Secured Indebtedness merely because it has a junior priority Lien with respect to the same collateral.

If any Indebtedness is refinanced in reliance on a basket measured by reference to a percentage ofRun-Rate Adjusted EBITDA, and such refinancing would cause the percentage of Run-Rate Adjusted EBITDA to be exceeded if calculated based on the Run-Rate Adjusted EBITDA on the date of such refinancing, such percentage of Run-Rate Adjusted EBITDA will not be deemed to be exceeded to the extent the principal amount of such obligations secured by such newly incurred Indebtedness does not exceed the sum of (i) the principal amount of such Indebtedness being refinanced, *plus* (ii) the related costs incurred or payable in connection with such refinancing

SECTION 4.10. Asset Sales.

(a) The Issuer will not, and will not permit any Restricted Subsidiary to, consummate an Asset Sale, unless:

(i) the Issuer or such Restricted Subsidiary, as the case may be, receives consideration (including by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise, in connection with such Asset Sale) at least equal to the fair market value (measured at the time of contractually agreeing to such Asset Sale) of the assets sold or otherwise disposed of; and

(ii) except in the case of a Permitted Asset Swap, at least 75.0% of the consideration for such Asset Sale, together with all other Asset Sales since the Issue Date (on a cumulative basis), received by the Issuer or a Restricted Subsidiary, as the case may be, is in the form of cash or Cash Equivalents; *provided*, each of the following will be deemed to be cash or Cash Equivalents for purposes of this Section 4.10(a)(ii):

(A) any liabilities (as shown on the Issuer's or a Restricted Subsidiary's most recent balance sheet or in the footnotes thereto or if incurred or accrued subsequent to the date of such balance sheet, such liabilities that would have been reflected on the Issuer's or a Restricted Subsidiary's consolidated balance sheet or in the footnotes thereto if such incurrence or accrual had taken place on or prior to the date of such balance sheet, as determined in good faith by the Issuer) of the Issuer or any Restricted Subsidiary, other than liabilities that are by their terms subordinated in right of payment to the Notes or any Guarantor's Guarantee of the Notes, that (i) are assumed by the transferee of any such assets (or a third party in connection with such transfer) or (ii) are otherwise cancelled or terminated in connection with the transaction with such transferee (other than intercompany debt owed to the Issuer or a Restricted Subsidiary);

(B) any securities, notes or other obligations or assets received by the Issuer or a Restricted Subsidiary from such transferee or in connection with such Asset Sale (including earnouts and similar obligations) that are converted by the Issuer or a Restricted Subsidiary into cash or Cash Equivalents, or by their terms are required to be satisfied for cash or Cash Equivalents (to the extent of the cash or Cash Equivalents received) within 180 days following the closing of such Asset Sale;

(C) any Designated Non-cash Consideration received by the Issuer or a Restricted Subsidiary in such Asset Sale having an aggregate fair market value, taken together with all other Designated Non-cash Consideration received pursuant to this clause (C) that is at that time outstanding, not to exceed the greater of (x) $120.0 million and (y) 30% of Run-Rate Adjusted EBITDA of the Issuer for the most recently ended Test Period on the date of the receipt of such Designated Non-cash Consideration (or, at the Issuer's option, at the time of contractually agreeing to such Asset Sale), with the fair market value of each item of Designated Non-cash Consideration being measured, at the Issuer's option, either at the time of contractually agreeing to such Asset Sale or at the time received and, in either case, without giving effect to subsequent changes in value;

(D) Indebtedness of any Restricted Subsidiary that ceases to be a Restricted Subsidiary as a result of such Asset Sale (other than intercompany debt owed to the Issuer or a Restricted Subsidiary), to the extent that the Issuer and each other Restricted Subsidiary are released from any guarantee of payment of the principal amount of such Indebtedness in connection with such Asset Sale; and

(E) any Investment, Capital Stock, assets, property or capital or other expenditure of the kind referred to in Section 4.10(c)(ii).

(b) [Reserved].

(c) Within 545 days after the receipt of any Net Proceeds of any Asset Sale (as may be extended pursuant to clause (ii) below, the "Asset Sale Proceeds Application Period"), the Issuer or a Restricted Subsidiary, at its option, may apply an amount up to the Net Proceeds from such Asset Sale (other than Excluded Proceeds):

(i) to repay:

(A) Obligations in respect of a Credit Facility (including the Senior Credit Facilities) incurred under Section 4.09(b)(i) and, in the case of revolving obligations, to correspondingly reduce commitments with respect thereto, *provided*, in the case of this clause (A), if the holder of any Indebtedness of the Issuer or a Restricted Subsidiary declines the repayment of such Indebtedness owed to it from such Net Proceeds, such amount will be deemed repaid to the extent of the declined Net Proceeds;

(B) Obligations in respect of Secured Indebtedness of the Issuer or a Restricted Subsidiary, other than Indebtedness owed to the Issuer or a Restricted Subsidiary, and in the case of revolving obligations, to correspondingly reduce commitments with respect thereto, *provided*, in the case of this clause (A), (i) if an offer to purchase any Indebtedness of the Issuer or any Restricted Subsidiary is made, such amount will be deemed repaid to the extent of the amount of such offer, whether or not accepted by the holders of such Indebtedness, and no Net Proceeds in the amount of such offer will be deemed to exist following such offer, and (ii) if the holder of any Indebtedness of the Issuer or a Restricted Subsidiary declines the repayment of such Indebtedness owed to it from such Net Proceeds, such amount will be deemed repaid to the extent of the declined Net Proceeds;

(C) Obligations in respect of the Notes or any other Indebtedness (other than Subordinated Indebtedness) of the Issuer or any Restricted Subsidiary; *provided*, if the Issuer or any Restricted Subsidiary will so repay any such Indebtedness (which for the avoidance of doubt does not include Indebtedness repaid or to be repaid under clauses (A), (B) or (D) of this Section 4.10(c)(i)) other than the Notes, the Issuer will reduce Obligations under the Notes on a *pro rata* basis by, at its option, (i) redeeming Notes as described under Section 3.07, (ii) purchasing Notes through open-market purchases at a price equal to (or higher than) 100% of the principal amount thereof (or 100% of the accreted value thereof, if less), or (iii) making an offer (in accordance with the procedures set forth below for an Asset Sale Offer) to all Holders to purchase their Notes on a *pro rata* basis with such other Indebtedness for no less than 100% of the principal amount thereof (or 100% of the accreted value thereof, if less), *plus* the amount of accrued but unpaid interest, if any, on the principal amount of Notes to be repurchased to the date of repurchase; or

(D) Obligations in respect of Indebtedness of a Restricted Subsidiary that is not a Guarantor, or make an offer to repay such Obligations, other than Indebtedness owed to the Issuer or a Restricted Subsidiary;

provided, further, in the case of clause (C) above, (i) if an offer to purchase any Indebtedness of the Issuer or any Restricted Subsidiary is made, such amount will be deemed repaid to the extent of the amount of such offer, whether or not accepted by the holders of such Indebtedness, and no Net Proceeds in the amount of such offer will be deemed to exist following such offer, and (ii) if the holder of any Indebtedness of a Restricted Subsidiary or the Issuer declines the repayment of such Indebtedness owed to it from such Net Proceeds, such amount will be deemed repaid to the extent of the declined Net Proceeds; or

(ii) to make (A) an Investment in any one or more businesses, (B) capital expenditures, (C) other expenditures made in connection with the construction or development of facilities operated or to be operated by the Issuer or a Restricted Subsidiary, (D) acquisitions of properties (including fee and leasehold interests) or (E) acquisitions of other assets, in the case of clauses (A), (D) and this clause (E), either (1) are or will be used or useful in a Similar Business or (2) that replace, in whole or in part, the properties or assets that are the subject of such Asset Sale; *provided*, in the case of this clause (ii), a binding commitment will be treated as a permitted application of the Net Proceeds from the date of such commitment so long as the Issuer or a Restricted Subsidiary enters into such commitment with the good faith expectation that such Net Proceeds will be applied to satisfy such commitment within 180 days of such commitment (or, if later, 545 days after the receipt of such Net Proceeds) (an "Acceptable Commitment") and, in the event that any Acceptable Commitment is later cancelled or

terminated for any reason before the Net Proceeds are applied in connection therewith, the Issuer or a Restricted Subsidiary enters into another Acceptable Commitment (a "Second Commitment") within 180 days of such cancellation or termination (or, if later, 545 days after the receipt of such Net Proceeds); *provided, further*, that if any Second Commitment is later cancelled or terminated for any reason before such Net Proceeds are applied, then such Net Proceeds will constitute Excess Proceeds (as defined herein) (such 545-day period (as may be extended pursuant to this clause (ii) will constitute the "Proceeds Application Period"); or

(iii) any combination of the foregoing.

(d) Notwithstanding the foregoing, to the extent that any of or all the Net Proceeds of any Asset Sales by a Foreign Subsidiary is (x) prohibited or delayed by applicable local law from being repatriated to the United States or (y) restricted by the Organizational Documents from being repatriated to the United States, as determined by the Issuer in its sole discretion, the portion of such Net Proceeds so affected will not be required to be applied in compliance with this Section 4.10, and such amounts may be retained by the applicable Foreign Subsidiary so long, but only so long, as the applicable local law or applicable Organizational Documents will not permit repatriation to the United States (the Issuer hereby agreeing to use reasonable efforts to cause the applicable Foreign Subsidiary to take all actions reasonably required by the applicable local law, applicable organizational impediments or other impediment to permit such repatriation), and if such repatriation of any of such affected Net Proceeds is permitted under the applicable local law, such repatriation will be promptly effected and such repatriated Net Proceeds will be applied in compliance with this Section 4.10; provided, however, to the extent that the Issuer has determined in good faith that the repatriation to the United States of any or all of the Net Proceeds would have material adverse tax consequences, such Net Proceeds so affected may be retained by the applicable Foreign Subsidiary and will not be required to be applied in compliance with this Section 4.10. The non-application of any prepayment amounts as a consequence of the foregoing provisions will not, for the avoidance of doubt, constitute a Default or an Event of Default. For the avoidance of doubt, nothing in this Indenture will be construed to require the Issuer or any Subsidiary to repatriate cash or to apply any Net Proceeds in the event that (x) such repatriation is not permitted under the applicable local law or Organizational Documents or there are material adverse tax consequences to repatriate such Net Proceeds, in each case, within the Proceeds Application Period or (y) the Proceeds Application Period has expired.

(e) The amount of Net Proceeds from Asset Sales, other than Excluded Proceeds, that are not invested or applied as provided and within the time period set forth in the second preceding paragraph (it being understood that any portion of such Net Proceeds used to make an offer to purchase Notes, as described in clause(c)(i)(C) above, will be deemed to have been so applied whether or not such offer is accepted) will be deemed to constitute "Excess Proceeds." When the aggregate amount of Excess Proceeds exceeds $100.0 million from and after the Issue Date, the Issuer will make an offer to all Holders and, at the option of the Issuer to any holders of any Indebtedness that is pari passu with the Notes ("Pari Passu Indebtedness" and such offer, an "Asset Sale Offer"), to purchase the maximum aggregate principal amount of the Notes and such Pari Passu Indebtedness that is in an amount equal to at least $2,000, or an integral multiple of

$1,000 in excess of $2,000, that may be purchased out of the Excess Proceeds at an offer price, in the case of the Notes, in cash in an amount equal to 100.0% of the principal amount thereof (or accreted value thereof, if less), *plus* accrued and unpaid interest, if any (or, in respect of such Pari Passu Indebtedness such other price, if any, as may be provided for by the terms of such Pari Passu Indebtedness), to, but excluding, the date fixed for the closing of such offer, in accordance with the procedures set forth in Section 3.09 and the agreement governing such Pari Passu Indebtedness. The Issuer will commence an Asset Sale Offer with respect to Excess Proceeds within thirty days after the date that Excess Proceeds exceed $100.0 million by mailing or electronically delivering the notice required pursuant to Section 3.09, with a copy to the Trustee or otherwise in accordance with Applicable Procedures. The Issuer may satisfy the foregoing obligation with respect to any Net Proceeds from an Asset Sale by making an offer to purchase Notes with respect to all or part of the available Net Proceeds (the "Advance Portion") prior to the expiration of the Asset Sale Proceeds Application Period with respect to all or a part of the available Net Proceeds in advance of being required to do so by this Indenture (the "Advance Offer").

To the extent that the aggregate principal amount (or accreted value, as applicable) of Notes or Pari Passu Indebtedness tendered pursuant to an Asset Sale Offer is less than the Excess Proceeds (or in the case of an Advance Offer, the Advance Portion), the Issuer may use any remaining Excess Proceeds (or in the case of an Advance Offer, the Advance Portion) in any manner not prohibited by this Indenture (any such remaining Excess Proceeds and Advance Portion amount together with the aggregate amount of Excluded Proceeds, "Declined Excess Proceeds"). The Issuer and its Restricted Subsidiaries may use any Excluded Proceeds in any manner not prohibited by this Indenture. Upon completion of any such Asset Sale Offer, for purposes of this provision the amount of Excess Proceeds (or in the case of an Advance Offer, the Advance Portion) that resulted in the Asset Sale Offer will be reset to zero (regardless of whether there are any remaining Excess Proceeds (or Advance Portion) upon such completion). An Asset Sale Offer may be made at the same time as consents are solicited with respect to an amendment, supplement or waiver of this Indenture, Notes and/or Guarantees, including any amendment, supplement or waiver to make an Asset Sale Offer (but the Asset Sale Offer may not condition tenders on the delivery of such consents).

(f) Pending the final application of any Net Proceeds pursuant to this Section 4.10, the holder of such Net Proceeds may apply such Net Proceeds temporarily to reduce Indebtedness outstanding under a revolving credit facility, including under the Senior Credit Facilities, or otherwise invest such Net Proceeds in any manner not prohibited by this Indenture.

(g) The Issuer will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws or regulations are applicable in connection with the repurchase of the Notes pursuant to an Asset Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with the provisions of this Indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations described in this Indenture by virtue thereof.

(h) The Issuer's obligation to make an offer to repurchase the Notes pursuant to this Section 4.10 may be waived or modified with the written consent of the Holders of a majority in principal amount of the then outstanding Notes, including after the consummation of the Asset Sale.

SECTION 4.11. Transactions with Affiliates.

(a) The Issuer will not, and will not permit any Restricted Subsidiary to, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate of the Issuer (each of the foregoing, an "Affiliate Transaction") involving aggregate payments or consideration in excess of $40.0 million, unless:

(i) such Affiliate Transaction is on terms, taken as a whole, that are not materially less favorable to the Issuer or the relevant Restricted Subsidiaries than those that would have been obtained at such time in a comparable transaction by the Issuer or such Restricted Subsidiary with an unrelated Person on an arm's-length basis, or if in the good faith judgment of the Board of Directors, no comparable transaction is available with which to compare such Affiliate Transaction, such Affiliate Transaction is otherwise fair to the Issuer or such Restricted Subsidiary from a financial point of view; and

(ii) the Issuer delivers to the Trustee with respect to any Affiliate Transaction or series of related Affiliate Transactions requiring aggregate payments or consideration in excess of $100.0 million, a resolution adopted by the majority of the Board of Directors approving such Affiliate Transaction and set forth in an Officer's Certificate certifying that such Affiliate Transaction complies with clause (i) of this Section 4.11(a).

(b) The foregoing Section 4.11(a) will not apply to the following:

(i) (A) transactions between or among the Issuer and one or more Restricted Subsidiaries or between or among Restricted Subsidiaries, or, in any case, any entity that becomes a Restricted Subsidiary as a result of such transaction, and (B) any merger, consolidation or amalgamation of the Issuer and any Parent Company; *provided*, such merger, consolidation or amalgamation of the Issuer is otherwise in compliance with the terms of this Indenture and effected for a bona fide business purpose;

(ii) (A) Restricted Payments permitted by Section 4.07 hereof (including any transaction specifically excluded from the definition of the term "Restricted Payments," including pursuant to the exceptions contained in the definition thereof and the parenthetical exclusions of such definition) and (B) Investments constituting "Permitted Investments" or any acquisition otherwise permitted by this Indenture;

(iii) (A) the payment of management, consulting, monitoring, transaction, advisory and other fees, indemnities and expenses pursuant to the Management Services Agreement (including any unpaid management, consulting, monitoring, transaction, advisory and other fees, indemnities and expenses accrued in any prior year) and any

termination fees pursuant to the Management Services Agreement, or any amendment thereto or replacement thereof so long as any such amendment or replacement is not materially disadvantageous in the good faith judgment of the Board of Directors to the Holders when taken as a whole, as compared to the Management Services Agreement as in effect on the Issue Date or as described in the Offering Memorandum, (B) the payment of indemnification and similar amounts to, and reimbursement of expenses to, the Investors and their officers, directors, employees and affiliates, in each case, approved by, or pursuant to arrangements approved by, the Board of Directors, (C) payments, loans, advances or guarantees (or cancellation of loans, advances or guarantees) to future, present or former employees, officers, directors, managers, consultants or independent contractors or guarantees in respect thereof for bona fide business purposes or in the ordinary course of business or consistent with industry practice, (D) any subscription agreement or similar agreement pertaining to the repurchase of Equity Interests pursuant to put/call rights or similar rights with current, former or future officers, directors, employees, managers, consultants and independent contractors of the Issuer or any of its Subsidiaries or of any Parent Company and (E) any payment of compensation or other employee compensation, benefit plan or arrangement, any health, disability or similar insurance plan which covers current, former or future officers, directors, employees, managers, consultants and independent contractors of the Issuer or any of its Subsidiaries or any Parent Company;

(iv) the payment of fees and compensation paid to, and indemnities and reimbursements and employment and severance arrangements provided to, or on behalf of, or for the benefit of, present, future or former employees, directors, officers, members of management or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members or any permitted transferees thereof) of the Issuer, any Parent Company or any Restricted Subsidiary;

(v) transactions in which the Issuer or any Restricted Subsidiary, as the case may be, delivers to the Trustee a letter from an Independent Financial Advisor stating that such transaction is fair to the Issuer or such Restricted Subsidiary from a financial point of view or stating that the terms, when taken as a whole, are not materially less favorable to the Issuer or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Issuer or such Restricted Subsidiary with an unrelated Person on an arm's-length basis;

(vi) the existence of, or the performance by the Issuer, any Restricted Subsidiary of its obligations under the terms of, any agreement as in effect as of the Issue Date, or any amendment thereto or replacement thereof (so long as any such amendment or replacement is not materially disadvantageous in the good faith judgment of the Board of Directors to the Holders when taken as a whole as compared to the applicable agreement as in effect on the Issue Date);

(vii) the existence of, or the performance by the Issuer or any Restricted Subsidiary of its obligations under the terms of, any equity holder agreement or the equivalent (including any registration rights agreement or purchase agreement related thereto) to which it is a party as of the Issue Date and any amendment thereto and similar agreements or arrangements that it may enter into thereafter; *provided*, the existence of, or the performance by the Issuer or any Restricted Subsidiary of obligations under any future amendment to any such existing agreement or arrangement or under any similar agreement or arrangement entered into after the Issue Date will be permitted by this clause (vii) to the extent that the terms of any such amendment or new agreement or arrangement are not otherwise materially disadvantageous in the good faith judgment of the Board of Directors to the Holders when taken as a whole (as compared to the original agreement or arrangement in effect on the Issue Date);

(viii) the Transactions and the payment of all fees and expenses related to the Transactions, including Transaction Expenses;

(ix) transactions with customers, clients, suppliers, contractors, joint venture partners or purchasers or sellers of goods or services, or transactions otherwise relating to the purchase or sale of goods or services, in each case in the ordinary course of business or consistent with industry practice and otherwise in compliance with the terms of this Indenture that are fair to the Issuer and the Restricted Subsidiaries, in the reasonable determination of the Board of Directors or the senior management of the Issuer, or are on terms at least as favorable as might reasonably have been obtained at such time from an unaffiliated party;

(x) the issuance, sale or transfer of Equity Interests (other than Disqualified Stock) of the Issuer or any Parent Company to any Person and the granting and performing of customary rights (including registration rights) in connection therewith, and any contribution to the capital of the Issuer;

(xi) sales of accounts receivable, or participations therein, or Securitization Assets or related assets in connection with any Qualified Securitization Facility and any other transaction effected in connection with a Qualified Securitization Facility or a financing related thereto;

(xii) payments by the Issuer or any Restricted Subsidiary made for any financial advisory, consulting, financing, underwriting or placement services or in respect of other investment banking activities, including in connection with acquisitions or divestitures, which payments are approved by, or made pursuant to arrangements approved by, a majority of the Board of Directors in good faith;

(xiii) payments with respect to Indebtedness, Disqualified Stock and other Equity Interests (and cancellation of any thereof) of the Issuer, any Parent Company and any Restricted Subsidiary and Preferred Stock (and cancellation of any thereof) of any Restricted Subsidiary to any future, current or former employee, director, officer, member of management or consultant (or their respective Controlled Investment Affiliates or Immediate Family Members or permitted transferees) of the Issuer, any of its Subsidiaries or any Parent Company pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or agreement or any equity subscription or equity holder agreement that are, in each case, approved by the

Issuer in good faith; and any employment agreements, severance arrangements, stock option plans and other compensatory arrangements (and any successor plans thereto) and any supplemental executive retirement benefit plans or arrangements with any such employees, directors, officers, members of management or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members or any permitted transferees thereof) that are, in each case, approved by the Issuer in good faith;

(xiv) (A) investments by Affiliates in securities of the Issuer or any Restricted Subsidiary (and payment of reasonableout-of-pocket expenses incurred by such Affiliates in connection therewith) so long as the investment is being offered by the Issuer or such Restricted Subsidiary generally to other investors on the same or more favorable terms and (B) payments to Affiliates in respect of securities of the Issuer or any Restricted Subsidiary contemplated in the foregoing subclause (A) or that were acquired from Persons other than the Issuer and the Restricted Subsidiaries, in each case, in accordance with the terms of such securities;

(xv) payments to or from, and transactions with, any joint venture or Unrestricted Subsidiary in the ordinary course of business or consistent with past practice or consistent with industry practice or industry norms (including, any cash management activities related thereto);

(xvi) payments by the Issuer (and any Parent Company) and its Subsidiaries pursuant to tax sharing agreements among the Issuer (and any Parent Company) and its Subsidiaries; *provided*, in each case the amount of such payments in any taxable year does not exceed the amount that the Issuer, its Restricted Subsidiaries and its Unrestricted Subsidiaries (to the extent of amount received from Unrestricted Subsidiaries) would be required to pay in respect of foreign, federal, state and local taxes for such taxable year were the Issuer, its Restricted Subsidiaries and its Unrestricted Subsidiaries (to the extent described above) to pay such taxes separately from any such Parent Company;

(xvii) any lease entered into between the Issuer or any Restricted Subsidiary, as lessee, and any Affiliate of the Issuer, as lessor, and transactions pursuant to that lease which lease is approved by the Board of Directors or senior management of the Issuer in good faith;

(xviii) intellectual property licenses in the ordinary course of business or consistent with industry practice;

(xix) the payment of reasonable out-of-pocket costs and expenses relating to registration rights and indemnities provided to equity holders of the Issuer or any Parent Company pursuant to the equity holders agreement or the registration rights agreement entered into on or after the Issue Date;

(xx) transactions permitted by, and complying with, the provisions of Section 5.01 solely for the purpose of (A) reorganizing to facilitate any initial public offering of securities of the Issuer or any Parent Company, (B) forming a holding company or (C) reincorporating the Issuer in a new jurisdiction;

(xxi) transactions undertaken in good faith (as determined by the Board of Directors or certified by senior management of the Issuer in an Officer's Certificate) for the purposes of improving the consolidated tax efficiency of the Issuer and its Restricted Subsidiaries and not for the purpose of circumventing any covenant set forth in this Indenture;

(xxii) (A) transactions with a Person that is an Affiliate of the Issuer (other than an Unrestricted Subsidiary) solely because the Issuer or any Restricted Subsidiary owns Equity Interests in such Person and (B) transactions with any Person that is an Affiliate solely because a director or officer of such Person is a director or officer of the Issuer, any Restricted Subsidiary or any Parent Company;

(xxiii) (A) pledges and other transfers of Equity Interests in Unrestricted Subsidiaries and (B) any transactions with an Affiliate in which the consideration paid consists solely of Equity Interests of the Issuer or a Parent Company;

(xxiv) the sale, issuance or transfer of Equity Interests (other than Disqualified Stock) of the Issuer;

(xxv) investments by any Investor or a Parent Company in securities of the Issuer or any Guarantor; and

(xxvi) payments on the Notes in accordance with this Indenture, payments on the Existing Secured Notes in accordance with the Existing Secured Notes Indenture and payments of Obligations under the Credit Facilities and payments in respect of Obligations under other Indebtedness of the Issuer and its Subsidiaries held by Affiliates; *provided* that such Obligations were acquired by an Affiliate of the Issuer in compliance with this Indenture.

SECTION 4.12. Liens.

(a) (i) Prior to a Covenant Suspension Event or following any Reversion Date and during any period when there is no election by the Issuer pursuant to Section 4.12(b), the Issuer will not, and will not permit any Subsidiary Guarantor to, directly or indirectly, create, incur or assume any Lien (except Permitted Liens) that secures Obligations under any Indebtedness or any related guarantee of Indebtedness, on any asset or property of the Issuer or any Subsidiary Guarantor, or any income or profits therefrom, or assign or convey any right to receive income therefrom, unless:

(A) in the case of Liens securing Subordinated Indebtedness, the Notes and related Guarantees are secured by a Lien on such property, assets or proceeds that is senior in priority to such Liens until such time as such Subordinated Indebtedness is no longer secured by such Liens; and

(B) in all other cases, the Notes or the Guarantees are equally and ratably secured until such time as such Obligations are no longer secured by such Liens;

(ii) except that the foregoing restrictions will not apply to or restrict (A) Liens securing obligations in respect of the Notes and the related Guarantees, (B) Liens securing obligations in respect of Indebtedness permitted to be incurred under any Credit Facility, including any letter of credit facility relating thereto, that was incurred prior to the Issue Date or permitted by the terms of this Indenture to be incurred pursuant to Section 4.09(b)(i)(A), and (C) Liens securing obligations in respect of Indebtedness permitted to be incurred pursuant to Section 4.09; *provided*, at the time of incurrence after the Issue Date (or, in the case of Indebtedness under Designated Revolving Commitments, on the date such Designated Revolving Commitments are established after the Issue Date and after giving *pro forma* effect to the incurrence of the entire committed amount of Indebtedness thereunder, in which case such committed amount under such Designated Revolving Commitments may thereafter be borrowed and reborrowed, in whole or in part, from time to time, without further compliance with this subclause) and after giving *pro forma* effect thereto and the application of the net proceeds therefrom, the Issuer's Senior Secured Net Leverage Ratio for the most recently ended Test Period on such date would not exceed 4.00:1.00 (it being understood that solely for the purpose of calculating the Senior Secured Net Leverage Ratio in connection with calculating the amount of Indebtedness to be incurred under this clause (C), any outstanding Indebtedness Incurred that is unsecured will nevertheless be deemed to be secured by a Lien).

(b) During a Covenant Suspension Event, the Issuer may elect by written notice to the Trustee to be subject to an alternative covenant with respect to the limitation on Liens in lieu of Section 4.12(a)(i) pursuant to which the Issuer will not and will not permit any of its Principal Property Subsidiaries to, directly or indirectly, create, incur or suffer to exist any Lien of any kind upon any (1) Restricted Property or (2) shares of Capital Stock or evidence of Indebtedness for borrowed money issued by any Principal Property Subsidiary, whether owned at the Issue Date or thereafter acquired, without making effective provision whereby the Notes and the Guarantees will be secured by such Lien equally and ratably with any and all other Indebtedness or obligations thereby secured, so long as such Indebtedness or obligations will be so secured; *provided*, *however*, that the foregoing shall not apply to any of the following:

(i) Liens existing on the Suspension Date;

(ii) Liens on property or Equity Interests or other assets of a Person at the time such Person becomes a Subsidiary; *provided*, such Liens are not created or incurred in connection with, or in contemplation of, such other Person becoming such a Subsidiary; *provided*, *further*, such Liens are limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof and after-acquired property) that secured the obligations to which such Liens relate;

(iii) Liens in favor of the Issuer or any Guarantor;

(iv) Liens to secure any modification, refinancing, refunding, extension, renewal or replacement (or successive modification, refinancing, refunding, extensions, renewals or replacements) as a whole, or in part, of any of the foregoing; *provided*, (A)

such new Lien will be limited to all or part of the same property (plus improvements, accessions, proceeds or dividends or distributions in respect thereof and after-acquired property) that secured the original Lien (plus improvements and accessions on such property) and proceeds and products thereof, and (B) the Indebtedness secured by such Lien at such time is not increased to any amount greater than the sum of (1) the outstanding principal amount or, if greater, committed amount of the Indebtedness at the time the original Lien became a Permitted Lien under this Indenture, *plus* (2) an amount necessary to pay any fees and expenses (including original issue discount, upfront fees, defeasance costs, underwriting discounts or similar fees) and premiums (including tender premiums and accrued and unpaid interest), related to such refinancing, refunding, extension, renewal or replacement;

(v) Liens imposed by law, such as landlords', carriers', warehousemen's, materialmen's, repairmen's, construction and mechanics' Liens and other similar Liens and (A) for sums not yet overdue for a period of more than 60 days or, if more than 60 days overdue, are unfiled and no other action has been taken to enforce such Liens or (B) being contested in good faith by appropriate actions or other Liens arising out of or securing judgments or awards against such Person with respect to which such Person will then be proceeding with an appeal or other proceedings for review if such Liens are adequately bonded or adequate reserves with respect thereto are maintained on the books of such Person in accordance with GAAP;

(vi) Liens for taxes, assessments or other governmental charges not yet overdue for a period of more than 30 days or not yet payable or not subject to penalties for nonpayment or which are being contested in good faith by appropriate actions if adequate reserves with respect thereto are maintained on the books of such Person in accordance with GAAP;

(vii) Liens, pledges or deposits by such Person (A) made in connection with workmen's compensation laws, unemployment insurance, health, disability or employee benefits, other social security laws or similar legislation or regulations, (B) insurance-related obligations (including, but not limited to, in respect of deductibles, self-insured retention amounts and premiums and adjustments thereto) securing reimbursement or indemnification obligations of (including obligations in respect of letters of credit, bank guarantees or similar instruments for the benefit of) insurance carriers providing property, casualty or liability insurance, or otherwise supporting the payment of items set forth in the foregoing clause (A), or (C) bids, tenders, contracts, statutory obligations, surety, indemnity, warranty, release, appeal or similar bonds, or with regard to other regulatory requirements, completion guarantees, stay, customs and appeal bonds, performance bonds, bankers' acceptance facilities, and other obligations of like nature (including those to secure health, safety and environmental obligations) (other than for the payment of Indebtedness) or leases to which such Person is a party, or deposits to secure public or statutory obligations of such Person or deposits of cash or U.S. government bonds to secure surety or appeal bonds to which such Person is a party, or deposits as security for the payment of rent, contested taxes or import duties and obligations in respect of letters of credit, bank guarantees or similar instruments that have been posted to support the same, in each case incurred in the ordinary course of business or consistent with industry practice; and

(viii) Liens for the sole purpose of extending, renewing or replacing (or unsuccessfully extending, renewing or replacing) in whole or in part any of the foregoing.

(c) Notwithstanding the provisions of Section 4.12(b), the Issuer or any Principal Property Subsidiary may, without equally and ratably securing the Notes or the Guarantees, create or assume Liens which would otherwise be subject to the foregoing restrictions if at the time of such creation or assumption, and after giving effect thereto, Exempted Indebtedness does not exceed 10% of Consolidated Total Assets.

(d) For purposes of determining compliance with this Section 4.12, in the event that a proposed Lien (or a portion thereof) meets the criteria of one or more of the categories described in Section 4.12(a)(i) and/or one or more of the clauses contained in the definition of "Permitted Liens," the Issuer will be entitled to divide or classify (or later divide, classify or reclassify in whole or in part in its sole discretion) such Lien (or any portion thereof) among one or more of the categories described under Section 4.12(a) and/or one or more clauses contained in the definition of "Permitted Liens," in a manner that otherwise complies with this Section 4.12.

(e) Any Lien created for the benefit of the Holders pursuant to this Section 4.12 will be deemed automatically and unconditionally released and discharged upon the release and discharge of each of the Liens described in clauses (A) and (B) of Section 4.12(a)(i) or upon such Liens no longer attaching to assets or property of the Issuer or a Guarantor.

(f) The expansion of Liens by virtue of accretion or amortization of original issue discount, the payment of dividends in the form of Indebtedness and increases in the amount of Indebtedness outstanding solely as a result of fluctuations in the exchange rate of currencies will not be deemed to be an incurrence of Liens for purposes of this Section 4.12.

SECTION 4.13. Company Existence. Subject to Article V hereof, the Issuer shall do or cause to be done all things necessary to preserve and keep in full force and effect its company existence, and the corporate, partnership or other existence of each of its Restricted Subsidiaries, in accordance with the respective organizational documents (as the same may be amended from time to time) of the Issuer or any such Restricted Subsidiary; *provided* that the Issuer shall not be required to preserve the corporate, partnership or other existence of its Restricted Subsidiaries, if the Issuer in good faith shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Issuer and its Restricted Subsidiaries, taken as a whole.

SECTION 4.14. Offer to Repurchase Upon Change of Control.

(a) If a Change of Control occurs after the Issue Date, unless the Issuer or another Person has previously or concurrently electronically delivered or mailed a redemption notice with respect to all the outstanding Notes as described under Section 3.07 or Article XII, the Issuer will make an offer to purchase all of the Notes pursuant to the offer described below (the "Change of Control Offer") at a price in cash (the "Change of Control Payment") equal to 101.0% of the aggregate principal amount thereof plus accrued and unpaid interest, if any, to, but excluding, the date of repurchase, subject to the right of Holders of record on the relevant Record Date to receive interest due on the relevant Interest Payment Date prior to such repurchase.

Prior to or within 60 days following any Change of Control, the Issuer will send notice of such Change of Control Offer electronically or by first-class mail, with a copy to the Trustee, to each Holder to the address of such Holder appearing in the Note Register or otherwise in accordance with the Applicable Procedures, with the following information:

(i) a Change of Control Offer is being made pursuant to this Section 4.14 and all Notes properly tendered pursuant to such Change of Control Offer will be accepted for payment by the Issuer;

(ii) the purchase price and the purchase date, which will be no earlier than 10 days nor later than 90 days from the date such notice is mailed or otherwise delivered (the "Change of Control Payment Date"), subject to extension (in the case where such notice is mailed or otherwise delivered prior to the occurrence of the Change of Control) in the event that the occurrence of the Change of Control is delayed;

(iii) any Note not properly tendered will remain outstanding and continue to accrue interest;

(iv) unless the Issuer defaults in the payment of the Change of Control Payment, all Notes accepted for payment pursuant to the Change of Control Offer will cease to accrue interest on the Change of Control Payment Date;

(v) Holders electing to have any Notes purchased pursuant to a Change of Control Offer will be required to surrender such Notes, with the form entitled "Option of Holder to Elect Purchase" on the reverse of such Notes completed, to the Paying Agent at the address specified in the notice or otherwise in accordance with the Applicable Procedures, prior to the close of business on the third Business Day preceding the Change of Control Payment Date;

(vi) Holders will be entitled to withdraw their tendered Notes and their election to require the Issuer to purchase such Notes; *provided*, the Paying Agent receives, not later than the close of business on the second Business Day prior to the expiration date of the Change of Control Offer, a facsimile transmission or letter or other notice in accordance with the Applicable Procedures setting forth the name of the Holder, the principal amount of Notes tendered for purchase, and a statement that such Holder is withdrawing its tendered Notes and its election to have such Notes purchased;

(vii) Holders whose Notes are being purchased only in part will be issued new Notes and such new Notes will be equal in principal amount to the unpurchased portion of the Notes surrendered, *provided*, the unpurchased portion of the Notes must be equal to at least $2,000 or any integral multiple of $1,000 in excess of $2,000;

(viii) if such notice is delivered prior to the occurrence of a Change of Control, stating that the Change of Control Offer is conditional on the occurrence of such Change

of Control and describing each such condition and, if applicable, stating that, in the Issuer's discretion, the Change of Control Payment Date may be delayed until such time (including more than 90 days after the date the notice of redemption was mailed or delivered, including by electronic transmission) as any or all such conditions are satisfied (or waived by the Issuer in its sole discretion), or such redemption or purchase may not occur and such notice may be rescinded or modified in the event that any or all such conditions are not satisfied (or waived by the Issuer in its sole discretion) by the Change of Control Payment Date, or by the Change of Control Payment Date as so delayed, or such notice may be rescinded at any time in the Issuer's discretion if in the good faith judgment of the Issuer any or all of such conditions will not be satisfied. In addition, the Issuer may provide in such notice that payment of the redemption price and performance of the Issuer's obligations with respect to such redemption may be performed by another Person; and

(ix) the other instructions, as determined by the Issuer, consistent with this Section 4.14, that a Holder must follow in order to have its Notes repurchased.

The Issuer will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws or regulations are applicable in connection with the repurchase of Notes by the Issuer pursuant to a Change of Control Offer. To the extent that the provisions of any securities laws or regulations conflict with the provisions of this Indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations described in this Indenture by virtue thereof.

(b) On the Change of Control Payment Date, the Issuer will, to the extent permitted by law:

(i) accept for payment all Notes or portions thereof properly tendered pursuant to the Change of Control Offer;

(ii) deposit with the Paying Agent an amount equal to the aggregate Change of Control Payment in respect of all Notes or portions thereof so tendered; and

(iii) deliver, or cause to be delivered, to the Trustee (A) an Officer's Certificate to the Trustee stating that such Notes or portions thereof have been tendered to and purchased by the Issuer and (B) at the Issuer's option, the Notes so accepted for cancellation.

(c) The Issuer will not be required to make a Change of Control Offer following a Change of Control (i) if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in this Indenture applicable to a Change of Control Offer made by the Issuer and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer, (ii) in connection with or in contemplation of any Change of Control, the Issuer (or any Affiliate of the Issuer) or a third party has made an offer to purchase, at the times and otherwise in compliance with the requirements set forth in this Indenture applicable to a Change of Control Offer (an "Alternate Offer"), any and all Notes validly tendered at a cash price equal to or higher than the Change of Control Payment and has purchased all Notes properly tendered in accordance with the terms of the Alternate Offer or (iii) the Issuer or another Person has previously issued a notice of a full redemption pursuant to the provisions set forth under Section 3.07.

(d) A Change of Control Offer or Alternate Offer may be made in advance of a Change of Control and conditional upon such Change of Control, if a definitive agreement is in place for the Change of Control at the time of making of the Change of Control Offer or Alternate Offer.

(e) A Change of Control Offer or Alternate Offer may be made at the same time as consents are solicited with respect to an amendment, supplement or waiver of this Indenture, Notes and/or Guarantees, including any amendment, supplement or waiver with respect to making a Change of Control Offer or Alternate Offer (but the Change of Control Offer or Alternate Offer may not condition tenders on the delivery of such consents).

(f) Other than as specifically provided in this Section 4.14, any purchase pursuant to this Section 4.14 shall be made pursuant to the provisions of Sections 3.02, 3.05 and 3.06 hereof, and references therein to "redeem," "redemption," "Redemption Date" and similar words shall be deemed to refer to "purchase," "repurchase," "Change of Control Payment Date" and similar words, as applicable.

(g) The Issuer's obligation to make an offer to repurchase the Notes pursuant to this Section 4.14 may be waived or modified (at any time, including after a Change of Control or in connection with a Change of Control Offer or Alternate Offer) with the written consent of the Holders of a majority in principal amount of the Notes then outstanding.

SECTION 4.15. Limitation on Guarantees of Indebtedness by Restricted Subsidiaries. (a) The Issuer will not permit any of its Wholly-Owned Subsidiaries that are Restricted Subsidiaries (and non-Wholly-Owned Subsidiaries if such non-Wholly-Owned Subsidiary guarantees Indebtedness under a Credit Facility or Capital Markets Indebtedness of the Issuer or any Guarantor), other than a Guarantor or an Excluded Subsidiary, to guarantee the payment of (i) any Indebtedness of the Issuer or any Guarantor under a Credit Facility incurred under Section 4.09(b)(i) or (ii) Capital Markets Indebtedness of the Issuer or any Guarantor, in each case, having an aggregate principal amount outstanding in excess of $50.0 million unless:

(i) such Restricted Subsidiary within 30 days executes and delivers a supplemental indenture to this Indenture, the form of which is attached as Exhibit D hereto, providing for a Guarantee by such Restricted Subsidiary, except that with respect to a guarantee of Indebtedness of the Issuer or any Guarantor:

(A) if the Notes or such Guarantor's Guarantee are subordinated in right of payment to such Indebtedness, the Guarantee under the supplemental indenture will be subordinated to such Restricted Subsidiary's guarantee with respect to such Indebtedness substantially to the same extent as the Notes are subordinated to such Indebtedness; and

(B) if such Indebtedness is by its express terms subordinated in right of payment to the Notes or such Guarantor's Guarantee, any such guarantee by such Restricted Subsidiary with respect to such Indebtedness will be subordinated in right of payment to such Guarantee substantially to the same extent as such Indebtedness is subordinated to the Notes; and

(ii) such Restricted Subsidiary waives and will not in any manner whatsoever claim or take the benefit or advantage of, any rights of reimbursement, indemnity or subrogation or any other applicable rights against the Issuer or any other Restricted Subsidiary as a result of any payment by such Restricted Subsidiary under its Guarantee;

provided, this Section 4.15 will not be applicable to any guarantee of any Restricted Subsidiary that existed at the time such Person became a Restricted Subsidiary and was not incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary. The Issuer may elect, in its sole discretion, to cause any Subsidiary that is not otherwise required to be a Guarantor to become a Guarantor, in which case such Subsidiary will not be required to comply with clause (i) or (ii) of this Section 4.15(a) and such Guarantee may be released at any time in the Issuer's sole discretion.

SECTION 4.16. Suspension of Covenants.

(a) During any period of time that (i) the Notes have an Investment Grade Rating (including in connection with a Change of Control) and (ii) no Default has occurred and is continuing under this Indenture (the occurrence of the events described in the foregoing clauses (i) and (ii) being collectively referred to as a "Covenant Suspension Event" and the date thereof being referred to as the "Suspension Date") then, the Guarantees will be automatically and unconditionally released and discharged and the Issuer and the Restricted Subsidiaries will not be subject to Section 4.07, Section 4.08, Section 4.09, Section 4.10, Section 4.11, upon the making of the election in Section 4.12(b), 4.12(a) (in which case Section 4.12(b) will apply), Section 4.15, Section 5.01(a)(i)(D) and 5.01(d) hereof shall not be applicable to the Notes (collectively, the "Suspended Covenants").

(b) During a Suspension Period (as defined herein), the Issuer may not designate any of its Subsidiaries as Unrestricted Subsidiaries unless such designation would have complied with Section 4.07 as if such Section were in effect during such period.

(c) In the event that the Issuer and its Restricted Subsidiaries are not subject to the Suspended Covenants under this Indenture for any period of time as a result of the foregoing, and on any subsequent date (the "Reversion Date") the Notes no longer have an Investment Grade Rating, then the Issuer and its Restricted Subsidiaries will thereafter again be subject to the Suspended Covenants under this Indenture with respect to future events. The period of time between the Suspension Date and the Reversion Date is referred to in this Indenture as the "Suspension Period." The Guarantees of the Guarantors will be suspended during the Suspension Period. Additionally, upon the occurrence of a Covenant Suspension Event, the amount of Excess Proceeds from Net Proceeds will be reset to zero for purposes of Section 4.10.

(d) In the event of any such reinstatement, no action taken or omitted to be taken by the Issuer or any Restricted Subsidiary or events occurring prior to such reinstatement will give rise to a Default or Event of Default under this Indenture with respect to the Notes; *provided*,

(i) with respect to Restricted Payments made after the Reversion Date, the amount of Restricted Payments made will be calculated as though Section 4.07 had been in effect prior to, but not during, the Suspension Period;

(ii) all Indebtedness incurred, or Disqualified Stock or Preferred Stock issued, during the Suspension Period will be classified to have been incurred or issued pursuant to Section 4.09(b)(iii);

(iii) any Affiliate Transaction entered into after the Reversion Date pursuant to an agreement entered into during any Suspension Period will be deemed to be permitted pursuant to Section 4.11(b)(vi);

(iv) any encumbrance or restriction on the ability of any Restricted Subsidiary that is not a Guarantor to take any action described in clauses (i) through (iii) of Section 4.08(a) that becomes effective during any Suspension Period will be deemed to be permitted pursuant to Section 4.08(b)(i); and

(v) no Subsidiary of the Issuer will be required to comply with Section 4.15 after the Reversion Date with respect to any guarantee entered into by such Subsidiary during any Suspension Period;

(vi) all Liens permitted to be created, incurred or assumed during the Suspension Period will be deemed to have been outstanding on the Issue Date, so that they are classified as permitted under clause (7) of the definition of "Permitted Liens"; and

(vii) all Investments made during the Suspension Period will be deemed to have been outstanding on the Issue Date, so that they are classified as Permitted Investments permitted under clause (5) of the definition of "Permitted Investments".

(e) Notwithstanding that the Suspended Covenants may be reinstated after the Reversion Date (i) no Default, Event of Default or breach of any kind will be deemed to exist under this Indenture, the Notes or the Guarantees with respect to the Suspended Covenants, and none of the Issuer or any of its Restricted Subsidiaries will bear any liability for any actions taken or events occurring during the Suspension Period, or any actions taken at any time pursuant to any contractual obligation arising during a Suspension Period, in each case, as a result of a failure to comply with the Suspended Covenants during the Suspension Period (or, upon termination of the Suspension Period or after that time, based on any action taken or event that occurred during the Suspension Period) and (ii) following a Reversion Date, the Issuer and each Restricted Subsidiary will be permitted, without causing a Default or Event of Default, to honor, comply with or otherwise perform any contractual commitments or obligations arising during any Suspension Period (that were permitted to be entered into at such time) and to consummate any transactions contemplated thereby.

(f) During the Suspension Period, the Guarantees will be automatically and unconditionally released and discharged and the obligation to grant further Guarantees will be suspended. Upon the Reversion Date, the obligation to grant Guarantees pursuant to Section 4.15 will be reinstated (and the Reversion Date will be deemed to be the date on which any guaranteed Indebtedness was incurred for purposes of Section 4.15).

(g) The Trustee shall have no duty to (i) monitor the ratings of the Notes, (ii) determine whether a Covenant Suspension Event or Reversion Date has occurred or (iii) notify Holders of any of the foregoing.

ARTICLE V

SUCCESSORS

SECTION 5.01. Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets

(a) The Issuer may not consolidate, amalgamate or merge with or into or wind up into (whether or not the Issuer is the surviving Person), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties or assets, in one or more related transactions, to any Person unless:

(i) (A) the Issuer is the surviving Person or the Person formed by or surviving any such consolidation, amalgamation or merger (if other than the Issuer) or to which such sale, assignment, transfer, lease, conveyance or other disposition is made, is a Person organized or existing under the laws of the United States, any state thereof, the District of Columbia, or any territory thereof (such Person, as the case may be, being herein called the "Successor Company");

(B) the Successor Company, if other than the Issuer, expressly assumes all the obligations of the Issuer under the Notes pursuant to supplemental indentures or other customary documents or instruments;

(C) immediately after such transaction, no Default exists;

(D) immediately after giving *pro forma* effect to such transaction and any related financing transactions, as if such transactions had occurred at the beginning of the most recently ended Test Period, either:

(1) the Issuer (or Successor Company, as applicable) would be permitted to incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio Test or the Total Net Leverage Ratio Test, or

(2) the Fixed Charge Coverage Ratio for the Issuer (or Successor Company, as applicable) would be equal to or greater than the Fixed Charge Coverage Ratio for the Issuer immediately prior to such transaction or the Total Net Leverage Ratio for the Issuer (or Successor Company, as applicable) would be equal to or less than the Total Net Leverage Ratio for the Issuer immediately prior to such transaction;

(E) each Guarantor, unless it is the other party to the transactions described above, in which case Section 5.01(a)(i)(B) will apply, will have by supplemental indenture or otherwise confirmed that its Guarantee applies to such Person's obligations under this Indenture and the Notes; and

(F) the Issuer (or the Successor Company, as applicable) will have delivered to the Trustee an Officer's Certificate stating that such consolidation, amalgamation, merger or transfer and such supplemental indentures, if any, comply with this Indenture; or

(ii) the transaction is made in compliance with Section 4.10; or

(iii) in the case of assets comprised of Equity Interests of Subsidiaries that are not Guarantors, such Equity Interests are sold, assigned, transferred, leased, conveyed or otherwise disposed of to one or more Restricted Subsidiaries.

(b) The Successor Company will succeed to, and be substituted for the Issuer under this Indenture, the Guarantees and the Notes, as applicable, and in such event the Issuer will automatically be released from its obligations thereunder.

(c) Notwithstanding clauses (C) through (F) of Section 5.01(a)(i),

(i) any Restricted Subsidiary may consolidate with, amalgamate with or merge with or into or wind up into or sell, assign, lease, convey, transfer or otherwise dispose of all or part of its properties and assets to the Issuer or any other Restricted Subsidiary,

(ii) the Issuer may consolidate with, amalgamate with or merge with or into, or wind up into an Affiliate of the Issuer for the purpose of reincorporating the Issuer in the United States, any state thereof, the District of Columbia or any territory thereof so long as the amount of Indebtedness of the Issuer and its Restricted Subsidiaries is not increased thereby,

(iii) the Issuer may convert into a corporation, partnership, limited partnership, limited liability company or trust organized or existing under the laws of the jurisdiction of organization of the Issuer or the laws of a jurisdiction in the United States, and

(iv) the Issuer or Guarantor may change its name.

(d) Subject to Section 11.06, no Guarantor will, and the Issuer will not permit any Guarantor to, consolidate, amalgamate or merge with or into or wind up into (whether or not such Guarantor is the surviving Person), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties or assets, in one or more related transactions, to any Person unless:

(i) (A) such Guarantor is the surviving Person or the Person formed by or surviving any such consolidation, amalgamation or merger (if other than such Guarantor) or to which such sale, assignment, transfer, lease, conveyance or other disposition will have been made is a Person organized or existing under the laws of the jurisdiction of organization of such Guarantor or the laws of the United States, any state thereof, the District of Columbia, or any territory thereof (such Guarantor or such Person, as the case may be, being herein called the "Successor Person");

(B) the Successor Person, if other than such Guarantor, expressly assumes all the obligations of such Guarantor under this Indenture and such Guarantor's related Guarantee pursuant to supplemental indentures or other documents or instruments;

(C) immediately after such transaction, no Default exists; and

(D) the Issuer will have delivered to the Trustee an Officer's Certificate stating that such consolidation, amalgamation, merger or transfer and such supplemental indentures, if any, comply with this Indenture; or

(ii) the transaction is made in compliance with, if applicable, Section 4.10; or

(iii) in the case of assets comprised of Equity Interests of Subsidiaries that are not Guarantors, such Equity Interests are sold, assigned, transferred, leased, conveyed or otherwise disposed of to one or more Restricted Subsidiaries.

(e) The Successor Person (if other than such Guarantor) will succeed to, and be substituted for, such Guarantor under this Indenture and such Guarantor's Guarantee and such Guarantor will be automatically released and discharged from its obligations under this Indenture and such Guarantor's Guarantee.

(f) Notwithstanding the foregoing, any Guarantor may (i) merge, amalgamate or consolidate with or into, wind up into or sell, assign, transfer, lease, convey or otherwise dispose of all or part of its properties and assets to another Guarantor or the Issuer or any Restricted Subsidiary that becomes a Guarantor, (ii) merge with an Affiliate of the Issuer for the purpose of reincorporating the Guarantor in the United States, any state thereof, the District of Columbia or any territory thereof, (iii) convert into a corporation, partnership, limited partnership, limited liability company or trust organized or existing under the laws of the jurisdiction of organization of such Guarantor or the laws of a jurisdiction in the United States, (iv) liquidate or dissolve or change its legal form if the Issuer determines in good faith that such action is in the best interests of the Issuer and is not materially disadvantageous to the Holders of the Notes or (v) change its name.

ARTICLE VI

DEFAULTS AND REMEDIES

SECTION 6.01. Events of Default. An "Event of Default," wherever used herein, means any one of the following events (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(a) default in payment when due and payable, upon redemption, acceleration or otherwise, of principal of, or premium, if any, on the Notes;

(b) default for 30 days or more in the payment when due of interest on or with respect to the Notes;

(c) failure by the Issuer or any Guarantor for 60 days after receipt of written notice given by the Trustee or the Holders of not less than 30.0% in principal amount of the then outstanding Notes to comply with any of its obligations, covenants or agreements (other than a default referred to in clause (a) or (b) of this Section 6.01) contained in this Indenture or the Notes and other than as set forth under Section 4.03;

(d) default under any mortgage, indenture or instrument under which there is issued or by which there is secured or evidenced any Indebtedness for money borrowed by the Issuer or any Significant Subsidiary (or any group of Restricted Subsidiaries that taken together (as of the latest consolidated financial statements of the Issuer made available to the Holders) would constitute a Significant Subsidiary) or the payment of which is guaranteed by the Issuer or any Significant Subsidiary (or any group of Restricted Subsidiaries that taken together (as of the latest consolidated financial statements of the Issuer made available to the Holders) would constitute a Significant Subsidiary), other than Indebtedness owed to the Issuer or a Restricted Subsidiary, whether such Indebtedness or guarantee now exists or is created after the issuance of the Notes, if both:

(i) such default either results from the failure to pay any principal of such Indebtedness at its stated final maturity (after giving effect to any applicable grace periods) or relates to an obligation other than the obligation to pay principal of any such Indebtedness at its stated final maturity and results in the holder or holders of such Indebtedness causing such Indebtedness to become due prior to its stated maturity; and

(ii) the principal amount of such Indebtedness, together with the principal amount of any other such Indebtedness in default for failure to pay principal at its stated final maturity (after giving effect to any applicable grace periods), or the maturity of which has been so accelerated, aggregate $60.0 million or more at any one time outstanding;

(e) failure by the Issuer or any Restricted Subsidiary that is a Significant Subsidiary (or any group of Restricted Subsidiaries that taken together (as of the latest consolidated financial statements of the Issuer made available to the Holders) would constitute a Significant Subsidiary) to pay final judgments aggregating in excess of $60.0 million (net of amounts covered by insurance policies), which final judgments remain unpaid, undischarged, unwaived and unstayed for a period of more than 90 days after such judgment becomes final, and in the event such judgment is covered by insurance, an enforcement proceeding has been commenced by any creditor upon such judgment or decree which is not promptly stayed;

(f) the Issuer or any Significant Subsidiary (or any group of Restricted Subsidiaries that, taken together (as of the latest consolidated financial statements of the Issuer made available to the Holders), would constitute a Significant Subsidiary), pursuant to or within the meaning of any Debtor Relief Laws:

(i) commences proceedings to be adjudicated bankrupt or insolvent;

(ii) consents to the institution of bankruptcy or insolvency proceedings against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under applicable Debtor Relief Laws;

(iii) consents to the appointment of a receiver, liquidator, assignee, trustee, sequestrator or other similar official of it or for all or substantially all of its property;

(iv) makes a general assignment for the benefit of its creditors; or

(v) generally is not paying its debts as they become due;

(g) a court of competent jurisdiction enters an order or decree under any Debtor Relief Laws that:

(i) is for relief against the Issuer or any of its Significant Subsidiaries (or any group of Restricted Subsidiaries that, taken together (as of the latest consolidated financial statements of the Issuer made available to the Holders), would constitute a Significant Subsidiary), in a proceeding in which the Issuer or any such Significant Subsidiary (or any group of Restricted Subsidiaries that, taken together (as of the latest consolidated financial statements of the Issuer made available to the Holders), would constitute a Significant Subsidiary), is to be adjudicated bankrupt or insolvent;

(ii) appoints a receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Issuer or any of its Significant Subsidiaries (or any group of Restricted Subsidiaries that, taken together (as of the latest consolidated financial statements of the Issuer made available to the Holders), would constitute a Significant Subsidiary), or for all or substantially all of the property of the Issuer or any of its Significant Subsidiaries (or any group of Restricted Subsidiaries that, taken together (as of the latest consolidated financial statements of the Issuer made available to the Holders), would constitute a Significant Subsidiary);

(iii) orders the liquidation of the Issuer or any of its Significant Subsidiaries (or any group of Restricted Subsidiaries that, taken together (as of the latest consolidated financial statements of the Issuer made available to the Holders), would constitute a Significant Subsidiary); and the order or decree remains unstayed and in effect for 60 consecutive days; or

(h) the Guarantee of any Significant Subsidiary (or any group of Restricted Subsidiaries that taken together (as of the latest consolidated financial statements of the Issuer made available to the Holders) would constitute a Significant Subsidiary) will for any reason cease to be in full force and effect except as contemplated by the terms of this Indenture or be declared null and void in a final non-appealable judgment of a court of competent jurisdiction or any Financial Officer of any Guarantor that is a Significant Subsidiary (or the responsible officers of any group of Restricted Subsidiaries that, taken together (as of the latest consolidated financial statements of the Issuer made available to the Holders) would constitute a Significant Subsidiary), as the case may be, denies in writing that it has any further liability under its Guarantee or gives written notice to such effect, other than by reason of the termination of this Indenture or the release of any such Guarantee in accordance with this Indenture.

SECTION 6.02. Acceleration. If any Event of Default (other than an Event of Default specified in clause (f) or (g) of Section 6.01 with respect to the Issuer) occurs and is continuing under this Indenture, the Trustee or the Holders of at least 30.0% in principal amount of the then total outstanding Notes by notice to the Issuer may declare the principal, premium, if any, interest and any other monetary obligations on all the then outstanding Notes to be due and payable immediately. Upon the effectiveness of such declaration, such principal of and premium, if any, and interest will be due and payable immediately. The Trustee may withhold from the Holders notice of any continuing Default, except a Default relating to the payment of principal, premium, if any, or interest, if it determines that withholding notice is in the Holders' interest. The Trustee will have no obligation to accelerate the Notes if in the best judgment of the Trustee acceleration is not in the best interests of the Holders of the Notes.

Notwithstanding the foregoing, in the case of an Event of Default arising under clause (f) or (g) of Section 6.01 hereof with respect to the Issuer, all outstanding Notes shall be due and payable immediately without further action or notice.

The Holders of a majority of the aggregate principal amount of the then outstanding Notes by written notice to the Trustee may on behalf of the Holders of all of the Notes rescind any acceleration with respect to the Notes and its consequences if such rescission would not conflict with any judgment of a court of competent jurisdiction and if all existing Events of Default (except non-payment of interest on, premium, if any, or the principal of any Note held by a non-consenting Holder that has become due solely because of the acceleration) have been cured or waived.

In the event of any Event of Default specified in Section 6.01(d) hereof, such Event of Default and all consequences thereof (excluding any resulting payment default, other than as a result of acceleration of the Notes) will be annulled, waived and rescinded, automatically and without any action by the Trustee or the Holders, if:

(a) the Indebtedness or guarantee that is the basis for such Event of Default has been discharged;

(b) the requisite holders thereof have rescinded or waived the acceleration, notice or action (as the case may be) giving rise to such Event of Default; or

(c) the default that is the basis for such Event of Default has been cured, waived or is no longer continuing.

SECTION 6.03. Other Remedies. If an Event of Default occurs and is continuing, the Trustee may pursue any available remedy to collect the payment of principal, premium, if any, and interest on the Notes or to enforce the performance of any provision of the Notes or this Indenture.

The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Holder of a Note in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. All remedies are cumulative to the extent permitted by law.

SECTION 6.04. Waiver of Past Defaults. Subject to Section 6.02 hereof, Holders of a majority in aggregate principal amount of the then outstanding Notes by written notice to the Trustee may on behalf of the Holders of all of the Notes waive any existing Default and its consequences hereunder (except a continuing Default in the payment of interest on, premium, if any, or the principal of any Note held by a non-consenting Holder) (including in connection with an Asset Sale Offer or a Change of Control Offer). Upon any such waiver, such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereon.

SECTION 6.05. Control by Majority. Holders of a majority in principal amount of the then total outstanding Notes may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. The Trustee however, may refuse to follow any direction that conflicts with law or this Indenture or that the Trustee determines is unduly prejudicial to the rights of any other Holder or that would involve the Trustee in personal liability.

SECTION 6.06. Limitation on Suits. Subject to Section 6.07 hereof, no Holder of a Note may pursue any remedy with respect to this Indenture or the Notes unless:

(a) such Holder has previously given the Trustee written notice that an Event of Default is continuing;

(b) Holders of at least 30.0% in principal amount of the total outstanding Notes have requested in writing the Trustee to pursue the remedy;

(c) Holders have offered the Trustee security or indemnity reasonably satisfactory to it against any loss, liability or expense;

(d) the Trustee has not complied with such request within 60 days after the receipt thereof and the offer of security or indemnity; and

(e) Holders of a majority in principal amount of the total outstanding Notes have not given the Trustee a direction inconsistent with such written request within such 60-day period.

A Holder of a Note may not use this Indenture to prejudice the rights of another Holder of a Note or to obtain a preference or priority over another Holder of a Note.

SECTION 6.07. Rights of Holders to Receive Payment. Notwithstanding any other provision of this Indenture, the right of any Holder of a Note to receive payment of principal of, premium, if any, and interest on the Note, on or after the respective due dates expressed in the Note (including in connection with an Asset Sale Offer or a Change of Control Offer), or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder.

SECTION 6.08. Collection Suit by Trustee. If an Event of Default specified in Section 6.01(a) or (b) hereof occurs and is continuing, the Trustee is authorized to recover judgment in its own name and as trustee of an express trust against the Issuer for the whole amount of principal of, premium, if any, and interest remaining unpaid on the Notes and interest on overdue principal and, to the extent lawful, interest and such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

SECTION 6.09. Restoration of Rights and Remedies. If the Trustee or any Holder has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Holder, then and in every such case, subject to any determination in such proceedings, the Issuer, the Trustee and the Holders shall be restored severally and respectively to their former positions hereunder and thereafter all rights and remedies of the Trustee and the Holders shall continue as though no such proceeding has been instituted.

SECTION 6.10. Rights and Remedies Cumulative. Except as otherwise provided with respect to the replacement or payment of mutilated, destroyed, lost or stolen Notes in Section 2.07 hereof, no right or remedy herein conferred upon or reserved to the Trustee or to the Holders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

SECTION 6.11. Delay or Omission Not Waiver. No delay or omission of the Trustee or of any Holder of any Note to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Trustee or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders, as the case may be.

SECTION 6.12. Trustee May File Proofs of Claim. The Trustee is authorized to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and the Holders allowed in any judicial proceedings relative to the Issuer (or any other obligor upon the Notes including the Guarantors), its creditors or its property and shall be entitled and empowered to participate as a member in any official committee of creditors appointed in such matter and to collect, receive and distribute any money or other property payable or deliverable on any such claims and any custodian in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee on behalf of such Holder, and in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.07 hereof. To the extent that the payment of any such compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.07 hereof out of the estate in any such proceeding, shall be denied for any reason, payment of the same shall be secured by a Lien on, and shall be paid out of, any and all distributions, dividends, money, securities and other properties that the Holders may be entitled to receive in such proceeding whether in liquidation or under any plan of reorganization or arrangement or otherwise. Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

SECTION 6.13. Priorities. If the Trustee or any Agent collects any money or property pursuant to this Article VI, it shall pay out the money or property in the following order:

(a) to the Trustee and such Agent, their agents and attorneys for amounts due under Section 7.07 hereof, including payment of all compensation, expenses and liabilities incurred, and all advances made, by the Trustee or such Agent and the costs and expenses of collection;

(b) to Holders for amounts due and unpaid on the Notes for principal, premium, if any, and interest, ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes for principal, premium, if any, and interest, respectively; and (iii) to the Issuer or to such party as a court of competent jurisdiction shall direct including a Guarantor, if applicable.

The Trustee may fix a record date and payment date for any payment to Holders pursuant to this Section 6.13.

SECTION 6.14. Undertaking for Costs. In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as a Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees and expenses, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 6.14 does not apply to a suit by the Trustee, a suit by a Holder of a Note pursuant to Section 6.07 hereof, or a suit by Holders of more than 10.0% in principal amount of the then outstanding Notes.

ARTICLE VII

TRUSTEE

SECTION 7.01. Duties of Trustee.

(a) If an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture on behalf of the Holders, and use the same degree of care and skill in its exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) Except during the continuance of an Event of Default:

(i) the duties of the Trustee shall be determined solely by the express provisions of this Indenture and the Trustee need perform only those duties that are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(ii) in the absence of willful misconduct or bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall examine the certificates and opinions to determine whether or not they conform to the requirements of this Indenture (but need not confirm or investigate the accuracy of mathematical calculations or other facts stated therein).

(c) The Trustee will not be relieved from liabilities for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(i) this paragraph (c) does not limit the effect of paragraph (b) of this Section 7.01;

(ii) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it is proved in a court of competent jurisdiction that the Trustee was negligent in ascertaining the pertinent facts; and

(iii) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.02, 6.04 or 6.05 hereof.

(d) Whether or not therein expressly so provided, every provision of this Indenture that in any way relates to the Trustee is subject to paragraphs (a), (b) and (c) of this Section 7.01.

(e) The Trustee shall be under no obligation to exercise any of its rights or powers under this Indenture or direction of any of the Holders unless the Holders have offered to the Trustee indemnity or security reasonably satisfactory to it against any loss, liability or expense that might be incurred by it in compliance with such request or direction.

(f) The Trustee shall not be liable for interest on any money received by it except as the Trustee may agree in writing with the Issuer. Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law.

SECTION 7.02. Rights of Trustee.

(a) The Trustee may conclusively rely upon and shall be fully protected in acting or refraining from acting upon any document believed by it to be genuine and to have been signed or presented by the proper Person. The Trustee need not investigate any fact or matter stated in the document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Issuer, personally or by agent or attorney at the sole cost of the Issuer and shall incur no liability or additional liability of any kind by reason of such inquiry or investigation.

(b) Before the Trustee acts or refrains from acting, it may require an Officer's Certificate or an Opinion of Counsel or both. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on such Officer's Certificate or Opinion of Counsel. The Trustee may consult with counsel of its selection and the advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection from liability in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

(c) The Trustee may act through its attorneys and agents and shall not be responsible for the misconduct or negligence of any agent or attorney appointed with due care.

(d) The Trustee shall not be liable for any action it takes or omits to take in good faith that it believes to be authorized or within the rights or powers conferred upon it by this Indenture.

(e) Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice from the Issuer shall be sufficient if signed by an Officer.

(f) None of the provisions of this Indenture shall require the Trustee to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or indemnity satisfactory to it against such risk or liability is not assured to it.

(g) The Trustee shall not be deemed to have notice of any Default or Event of Default unless a Responsible Officer of the Trustee has actual knowledge thereof or unless written notice of any event which is in fact such a Default or Event of Default is received by the Trustee at the Corporate Trust Office of the Trustee, and such notice references the Notes and this Indenture.

(h) In no event shall the Trustee be responsible or liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

(i) The rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, and each agent, custodian and other Person employed to act hereunder.

(j) [Reserved].

(k) Delivery of reports, information and documents to the Trustee is for informational purposes only and the Trustee's receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Issuer's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officer's Certificates).

(l) The permissive rights of the Trustee to take certain actions under this Indenture shall not be construed as a duty unless so specified herein.

(m) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Issuer, personally or by agent or attorney at the sole cost of the Issuer, and shall incur no liability or additional liability of any kind by reason of such inquiry or investigation.

(n) The Trustee shall not be required to give any bond or surety in respect of the performance of its powers and duties hereunder.

(o) The Trustee may request that the Issuer deliver a certificate setting forth the names of individuals and/or titles of officers authorized at such time to take specified actions pursuant to this Indenture.

SECTION 7.03. Individual Rights of Trustee. The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Issuer or any of its Affiliates with the same rights it would have if it were not Trustee. However, in the event that the Trustee acquires any conflicting interest it must eliminate such conflict within 90 days or resign. Any Agent may do the same with like rights and duties. The Trustee is also subject to Section 7.10 hereof.

SECTION 7.04. Disclaimer. The Trustee shall not be (a) responsible for and makes no representation as to the validity or adequacy of this Indenture or the Notes, (b) accountable for the Issuer's use of the proceeds from the Notes or any money paid to the Issuer or upon the Issuer's direction under any provision of this Indenture, (c) responsible for the use or application of any money received by any Paying Agent other than the Trustee, and (d) responsible for any statement or recital herein or any statement in the Notes or any other document in connection with the sale of the Notes or pursuant to this Indenture other than its certificate of authentication.

SECTION 7.05. Notice of Defaults. If a Default occurs and is continuing and if it is known to the Trustee, the Trustee shall deliver to Holders a notice of the Default within 90 days after it occurs. Except in the case of a Default relating to the payment of principal, premium, if any, or interest on any Note, the Trustee may withhold from the Holders notice of any continuing Default if and so long as it in good faith determines that withholding the notice is in the interests of the Holders.

SECTION 7.06. [Reserved].

SECTION 7.07. Compensation and Indemnity. The Issuer shall pay to the Trustee from time to time such compensation for its acceptance of this Indenture and services hereunder as the parties shall agree in writing from time to time. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust. The Issuer shall reimburse the Trustee promptly upon request for all reasonable out-of-pocket disbursements, advances and expenses incurred or made by it in addition to the compensation for its services. Such expenses shall include the reasonable compensation, disbursements and expenses of the Trustee's agents and counsel.

The Issuer and the Guarantors, jointly and severally, shall indemnify the Trustee for, and hold the Trustee harmless against, any and all loss, damage, claims, liability or expense (including reasonable attorneys' fees and expenses) incurred by it in connection with the acceptance or administration of this trust and the performance of its duties hereunder (including the reasonable costs and expenses of enforcing this Indenture against the Issuer or any of the Guarantors (including this Section 7.07) or defending itself against any claim whether asserted by any Holder, the Issuer or any Guarantor, or any other Person or liability in connection with the acceptance, exercise or performance of any of its powers or duties hereunder) (but excluding taxes imposed on such persons in connection with compensation for such administration or performance). The Trustee shall notify the Issuer promptly of any claim for which it may seek indemnity. Failure by the Trustee to so notify the Issuer shall not relieve the Issuer of its obligations hereunder. The Issuer shall defend the claim and the Trustee may have separate counsel and the Issuer shall pay the reasonable fees and expenses of such counsel. The Issuer nor any Guarantor need not reimburse any expense or indemnify against any loss, liability or expense incurred by the Trustee through the Trustee's own willful misconduct or negligence. Neither the Issuer nor any Guarantor need pay for any settlement made without its consent, which consent shall not be unreasonably withheld.

The obligations of the Issuer under this Section 7.07 shall survive the satisfaction and discharge of this Indenture or the earlier resignation or removal of the Trustee.

To secure the payment obligations of the Issuer and the Guarantors in this Section 7.07, the Trustee shall have a Lien prior to the Notes on all money or property held or collected by the Trustee, except for money or property held in trust to pay principal and interest on particular Notes. Such Lien shall survive the satisfaction and discharge of this Indenture.

When the Trustee incurs expenses or renders services after an Event of Default specified in Section 6.01(f) or (g) hereof occurs, the expenses and the compensation for the services (including the reasonable fees and expenses of its agents and counsel) are intended to constitute expenses of administration under any Debtor Relief Laws.

SECTION 7.08. Replacement of Trustee. A resignation or removal of the Trustee and appointment of a successor Trustee shall become effective only upon the successor Trustee's acceptance of appointment as provided in this Section 7.08. The Trustee may resign in writing at any time and be discharged from the trust hereby created by so notifying the Issuer. The Holders of a majority in principal amount of the then outstanding Notes may remove the Trustee by so notifying the Trustee and the Issuer in writing not less than 30 days prior to the effective date of such removal. The Issuer may remove the Trustee if:

(a) the Trustee fails to comply with Section 7.10 hereof;

(b) the Trustee is adjudged bankrupt or insolvent or an order for relief is entered with respect to the Trustee under any Debtor Relief Laws;

(c) a custodian or public officer takes charge of the Trustee or its property; or

(d) the Trustee becomes incapable of acting.

If the Trustee resigns or is removed or if a vacancy exists in the office of Trustee for any reason, the Issuer shall promptly appoint a successor Trustee. Within one year after the successor Trustee takes office, the Holders of a majority in principal amount of the then outstanding Notes may appoint a successor Trustee to replace the successor Trustee appointed by the Issuer.

If a successor Trustee does not take office within 60 days after the retiring Trustee resigns or is removed, the retiring Trustee (at the Issuer's expense), the Issuer or the Holders of at least 10% in principal amount of the then outstanding Notes may petition any court of competent jurisdiction for the appointment of a successor Trustee.

If the Trustee, after written request by any Holder who has been a Holder for at least six months, fails to comply with Section 7.10 hereof, such Holder may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Issuer. Thereupon, the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the

Trustee under this Indenture. The successor Trustee shall mail a notice of its succession to Holders. The retiring Trustee shall promptly transfer all property held by it as Trustee to its successor; *provided* all sums owing to the Trustee hereunder have been paid and subject to the Lien provided for in Section 7.07 hereof. Notwithstanding replacement of the Trustee pursuant to this Section 7.08, the Issuer's obligations under Section 7.07 hereof shall continue for the benefit of the retiring Trustee.

The resigning Trustee shall have no responsibility or liability for any action or inaction of a successor Trustee.

SECTION 7.09. Successor Trustee by Merger, etc. If the Trustee consolidates, merges or converts into, or transfers all or substantially all of its corporate trust business to, another corporation, the successor corporation without any further act shall be the successor Trustee.

SECTION 7.10. Eligibility; Disqualification. There shall at all times be a Trustee hereunder that is a corporation organized and doing business under the laws of the United States of America or of any state thereof that is authorized under such laws to exercise corporate trustee power, that is subject to supervision or examination by federal or state authorities and that has, together with its parent, a combined capital and surplus of at least $50,000,000 as set forth in its most recent published annual report of condition.

ARTICLE VIII

LEGAL DEFEASANCE AND COVENANT DEFEASANCE

SECTION 8.01. Option to Effect Legal Defeasance or Covenant Defeasance. The Issuer may, at its option and at any time, elect to have either Section 8.02 or 8.03 hereof applied to all outstanding Notes and all obligations of the Guarantors with respect to the Guarantees upon compliance with the conditions set forth below in this Article VIII.

SECTION 8.02. Legal Defeasance and Discharge. Upon the Issuer's exercise under Section 8.01 hereof of the option applicable to this Section 8.02, the Issuer and the Guarantors shall, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, be deemed to have been discharged from their obligations with respect to all outstanding Notes and Guarantees on the date the conditions set forth below are satisfied ("Legal Defeasance"). For this purpose, Legal Defeasance means that the Issuer and the Guarantors shall be deemed to have paid and discharged the entire Indebtedness represented by the outstanding Notes, which shall thereafter be deemed to be "outstanding" only for the purposes of Section 8.05 hereof, to have cured all then existing Events of Default and to have satisfied all its other obligations under such Notes and this Indenture including that of the Guarantors (and the Trustee, on demand of and at the expense of the Issuer, shall execute proper instruments acknowledging the same), except for the following provisions which shall survive until otherwise terminated or discharged hereunder:

(a) the rights of Holders to receive payments in respect of the principal of, premium, if any, and interest on the Notes when such payments are due solely out of the trust created pursuant to this Indenture referred to in Section 8.04 hereof;

(b) the Issuer's obligations with respect to Notes concerning issuing temporary Notes, registration of such Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payment and money for security payments held in trust;

(c) the rights, powers, trusts, duties and immunities of the Trustee, and the Issuer's obligations in connection therewith; and

(d) this Section 8.02.

Subject to compliance with this Article VIII, the Issuer may exercise its option under this Section 8.02 notwithstanding the prior exercise of its option under Section 8.03 hereof.

SECTION 8.03. Covenant Defeasance. Upon the Issuer's exercise under Section 8.01 hereof of the option applicable to this Section 8.03, the Issuer and the Guarantors shall, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, be released from their obligations under the covenants contained in Sections 4.03, 4.04, 4.05, 4.07, 4.08, 4.09, 4.10, 4.11, 4.12, 4.13, 4.14 and 4.15 hereof and clauses (D) through (E) of Section 5.01(a)(i), Section 5.01(d) and Section 5.01(e) hereof with respect to the outstanding Notes on and after the date the conditions set forth in Section 8.04 hereof are satisfied ("Covenant Defeasance"), and the Notes will thereafter be deemed not "outstanding" for the purposes of any direction, waiver, consent or declaration or act of Holders (and the consequences of any thereof) in connection with such covenants, but shall continue to be deemed "outstanding" for all other purposes hereunder (it being understood that such Notes shall not be deemed outstanding for accounting purposes). For this purpose, Covenant Defeasance means that, with respect to the outstanding Notes and the Guarantees, the Issuer and the Guarantors may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in any such covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of any reference in any such covenant to any other provision herein or in any other document, and such omission to comply shall not constitute a Default or an Event of Default under Section 6.01 hereof, but, except as specified above, the remainder of this Indenture and such Notes and the Guarantees shall be unaffected thereby. In addition, upon the Issuer's exercise under Section 8.01 hereof of the option applicable to this Section 8.03 hereof, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, Sections 6.01.c) (solely with respect to the covenants that are released upon a Covenant Defeasance), 6.01.d), 6.01(e), 6.01.f) (solely with respect to the Issuer's Restricted Subsidiaries), 6.01.g) (solely with respect to the Issuer's Restricted Subsidiaries) and 6.01.h) hereof shall not constitute Events of Default.

SECTION 8.04. Conditions to Legal or Covenant Defeasance. In order to exercise either Legal Defeasance or Covenant Defeasance with respect to the Notes:

(a) the Issuer must irrevocably deposit with the Trustee, in trust, for the benefit of the Holders, cash in U.S. dollars, U.S. dollar-denominated Government Securities, or a combination thereof, in such amounts as will be sufficient, in the opinion of an Independent Financial Advisor to pay the principal of, premium, if any, and interest due on the Notes on the stated maturity date or on the Redemption Date, as the case may be, of such principal, premium, if any, or interest on such Notes, and the Issuer must specify whether such Notes are being defeased to maturity or to a particular Redemption Date; *provided*, that upon any redemption that requires the payment of

the Applicable Premium, the amount deposited will be sufficient for purposes of this Indenture to the extent that an amount is deposited with the Trustee equal to the Applicable Premium calculated as of the date of the notice of redemption, with any deficit as of the date of redemption (any such amount, the "Applicable Premium Deficit") only required to be deposited with the Trustee on or prior to the date of redemption. Any Applicable Premium Deficit will be set forth in an Officer's Certificate delivered to the Trustee simultaneously with the deposit of such Applicable Premium Deficit that confirms that such Applicable Premium Deficit will be applied toward such redemption;

(b) in the case of Legal Defeasance, the Issuer will have delivered to the Trustee an Opinion of Counsel confirming that, subject to customary assumptions and exclusions

(i) the Issuer has received from, or there has been published by, the United States Internal Revenue Service a ruling or

(ii) since the issuance of the Notes, there has been a change in the applicable U.S. federal income tax law,

(iii) in either case to the effect that, and based thereon such Opinion of Counsel will confirm that, subject to customary assumptions and exclusions, Holders will not recognize income, gain or loss for U.S. federal income tax purposes, as applicable, as a result of such Legal Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(c) in the case of Covenant Defeasance, the Issuer will have delivered to the Trustee an Opinion of Counsel confirming that, subject to customary assumptions and exclusions, Holders will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Covenant Defeasance and will be subject to such tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(d) no Default (other than that resulting from borrowing funds to be applied to make such deposit and any similar and simultaneous deposit relating to other Indebtedness and, in each case, the granting of Liens and the consummation of other transactions in connection therewith) shall have occurred and be continuing on the date of such deposit;

(e) such Legal Defeasance or Covenant Defeasance will not result in a breach or violation of, or constitute a default under the Senior Credit Facilities or any other material agreement, instrument or documents (other than this Indenture) to which, the Issuer or any Guarantor is a party or by which the Issuer or any Guarantor is bound (other than that resulting from any borrowing of funds to be applied to make the deposit required to effect such Legal Defeasance or Covenant Defeasance and any similar and simultaneous deposit relating to other Indebtedness, and, in each case, the granting of Liens and the consummation of other transactions in connection therewith);

(f) the Issuer will have delivered to the Trustee an Officer's Certificate stating that the deposit was not made by the Issuer with the intent of defeating, hindering, delaying or defrauding any creditors of the Issuer or any Guarantor or others; and

(g) the Issuer will have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel (which Opinion of Counsel may be subject to customary assumptions and exclusions) each stating that all conditions precedent provided for or relating to the Legal Defeasance or the Covenant Defeasance, as the case may be, have been complied with.

Notwithstanding the foregoing, an Opinion of Counsel required by the immediately preceding paragraph with respect to Legal Defeasance need not be delivered if all of the Notes not theretofore delivered to the Trustee for cancellation (i) have become due and payable or (ii) will become due and payable within one year or are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Issuer.

SECTION 8.05. Deposited Money and Government Securities to Be Held in Trust; Other Miscellaneous Provisions

Subject to Section 8.06 hereof, all money and Government Securities (including the proceeds thereof) deposited with the Trustee (or other qualifying trustee, collectively for purposes of this Section 8.05, the "Trustee") pursuant to Section 8.04 hereof in respect of the outstanding Notes shall be held in trust and applied by the Trustee, in accordance with the provisions of such Notes and this Indenture, to the payment, either directly or through any Paying Agent (including the Issuer or a Guarantor acting as Paying Agent) as the Trustee may determine, to the Holders of such Notes of all sums due and to become due thereon in respect of principal, premium and interest, but such money need not be segregated from other funds except to the extent required by law.

The Issuer shall pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the cash or Government Securities deposited pursuant to Section 8.04 hereof or the principal and interest received in respect thereof other than any such tax, fee or other charge which by law is for the account of the Holders of the outstanding Notes.

Anything in this Article VIII to the contrary notwithstanding, the Trustee shall deliver or pay to the Issuer from time to time upon the request of the Issuer any money or Government Securities held by it as provided in Section 8.04 hereof which, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee (which may be the opinion delivered under Section 8.04(a) hereof), are in excess of the amount thereof that would then be required to be deposited to effect an equivalent Legal Defeasance or Covenant Defeasance.

SECTION 8.06. Repayment to Issuer. Subject to any applicable abandoned property law, any money deposited with the Trustee or any Paying Agent, or then held by the Issuer, in trust for the payment of the principal of, premium, if any, or interest on any Note and remaining unclaimed for two years after such principal, and premium, if any, or interest has become due and payable shall be paid to the Issuer on its request or (if then held by the Issuer) shall be discharged from such trust; and the Holder of such Note shall thereafter look only to the Issuer for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Issuer as trustee thereof, shall thereupon cease.

SECTION 8.07. Reinstatement. If the Trustee or Paying Agent is unable to apply any United States dollars or Government Securities in accordance with Section 8.02 or 8.03 hereof, as the case may be, by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, then the Issuer's and the Guarantors' obligations under this Indenture and the Notes and the Guarantees shall be revived and reinstated as though no deposit had occurred pursuant to Section 8.02 or 8.03 hereof until such time as the Trustee or Paying Agent is permitted to apply all such money in accordance with Section 8.02 or 8.03 hereof, as the case may be;*provided* that, if the Issuer makes any payment of principal of, premium, if any, or interest on any Note following the reinstatement of its obligations, the Issuer shall be subrogated to the rights of the Holders of such Notes to receive such payment from the money held by the Trustee or Paying Agent.

ARTICLE IX

AMENDMENT, SUPPLEMENT AND WAIVER

SECTION 9.01. Without Consent of Holders.

(a) Notwithstanding Section 9.02 hereof, the Issuer, any Guarantor (with respect to a Guarantee or this Indenture to which it is a party) and the Trustee may amend or supplement this Indenture, any Guarantee or the Notes without the consent of any Holder:

(i) to cure any ambiguity, omission, mistake, defect or inconsistency;

(ii) to provide for uncertificated Notes in addition to or in place of certificated Notes;

(iii) to comply with Section 5.01 hereof;

(iv) to provide the assumption of the Issuer's or any Guarantor's obligations to the Holders;

(v) to make any change that would provide any additional rights or benefits to the Holders or that does not materially adversely affect (as determined in good faith by the Issuer) the legal rights under this Indenture of any such Holder;

(vi) to add covenants for the benefit of the Holders or to surrender any right or power conferred upon the Issuer or any Guarantor;

(vii) to comply with requirements of the SEC in order to effect or maintain the qualification of this Indenture under the Trust Indenture Act, if applicable (it being agreed that this Indenture need not qualify under the Trust Indenture Act);

(viii) to evidence and provide for the acceptance and appointment under this Indenture of a successor Trustee hereunder pursuant to the requirements hereof;

(ix) to add a Guarantor or co-obligor under this Indenture or to release a Guarantor in accordance with the terms of this Indenture;

(x) to conform the text of this Indenture, Guarantees or the Notes to any provision of the "Description of Notes" section of the Offering Memorandum to the extent that such provision in such "Description of Notes" section was intended to be a verbatim recitation of a provision of this Indenture, Guarantee or the Notes as provided to the Trustee in an Officer's Certificate;

(xi) to make any amendment to the provisions of this Indenture relating to the transfer and legending of Notes as permitted by this Indenture, including, to facilitate the issuance and administration of the Notes; provided, (A) compliance with this Indenture as so amended would not result in Notes being transferred in violation of the Securities Act or any applicable securities law and (B) such amendment does not materially and adversely affect the rights of Holders to transfer Notes;

(xii) to provide for the issuance of Additional Notes in accordance with the terms of this Indenture;

(xiii) [Reserved];

(xiv) [Reserved];

(xv) to secure the Notes and/or the related Guarantees; or

(xvi) to add provisions to this Indenture and a new form of Note to permit the issuance by the Issuer or a Subsidiary thereof of escrow notes under this Indenture, which may have different terms than other Notes issued under this Indenture so long as the proceeds of such notes remain in escrow (including, but not limited to, collateral provisions, different or no guarantees and special mandatory redemption provisions).

(b) [Reserved].

(c) [Reserved].

(d) Upon the request of the Issuer accompanied by a resolution of the Board of Directors authorizing the execution of any such amended or supplemental indenture, and upon receipt by the Trustee of the documents described in Section 7.02 hereof (to the extent requested by the Trustee), the Trustee shall join with the Issuer and the Guarantors in the execution of any amended or supplemental indenture authorized or permitted by the terms of this Indenture and to make any further appropriate agreements and stipulations that may be therein contained, but the Trustee shall have the right, but not be obligated to, enter into such amended or supplemental indenture that affects its own rights, duties or immunities under this Indenture or otherwise. Notwithstanding the foregoing, neither an Opinion of Counsel nor an Officer's Certificate shall be required in connection with the addition of a Guarantor under this Indenture upon execution and delivery by such Guarantor and the Trustee of a supplemental indenture to this Indenture, the form of which is attached as Exhibit D hereto, *provided* that the execution thereof shall be deemed a representation by such Guarantor(s) that all conditions precedent and covenants, if any, relating to the execution of such supplemental indenture have been satisfied and the supplemental indenture is enforceable in accordance with its terms subject to (i) bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and similar laws affecting the rights and remedies of creditors generally and (ii) general principles of equity.

SECTION 9.02. With Consent of Holders.

(a) Except as provided below in this Section 9.02, the Issuer, the Guarantors and the Trustee may amend or supplement this Indenture, the Notes or the Guarantees with the consent of the Holders of at least a majority in principal amount of the Notes (including Additional Notes, if any) then outstanding voting as a single class (including consents obtained in connection with a tender offer or exchange offer for, or purchase of, the Notes), and, subject to Sections 6.04 and 6.07 hereof, any existing Default or Event of Default (other than a Default or Event of Default in the payment of the principal of, premium, if any, or interest on the Notes, except a payment default resulting from an acceleration that has been rescinded) or compliance with any provision of this Indenture, the Guarantees or the Notes may be waived with the consent of the Holders of a majority in principal amount of the then outstanding Notes (including Additional Notes, if any) voting as a single class (including consents obtained in connection with a tender offer or exchange offer for, or offer to purchase with respect to the Notes); *provided* that (x) if any such amendment or waiver will only affect one series of Notes (or less than all series of Notes) then outstanding hereunder, then only the consent of the Holders of a majority in principal amount of the Notes of such series then outstanding (including, in each case, consents obtained in connection with a tender offer or exchange offer for Notes) shall be required and (y) if any such amendment or waiver by its terms will affect a series of Notes in a manner different and materially adverse relative to the manner such amendment or waiver affects other series of Notes, then the consent of the Holders of a majority of principal amount of the Notes of such adversely affected series then outstanding (including, in each case, consents obtained in connection with a tender offer or exchange offer for Notes) shall be required. Section 2.08 hereof and Section 2.09 hereof shall determine which Notes are considered to be "outstanding" for the purposes of this Section 9.02.

(b) Upon the request of the Issuer accompanied by a resolution of its board of directors authorizing the execution of any such amended or supplemental indenture, and upon the filing with the Trustee of evidence satisfactory to the Trustee of the consent of the Holders as aforesaid, and, except as set forth in Section 9.05, upon receipt by the Trustee of the documents described in Section 7.02 hereof, the Trustee shall join with the Issuer and the Guarantors in the execution of such amended or supplemental indenture unless such amended or supplemental indenture directly affects the Trustee's own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion, but shall not be obligated to, enter into such amended or supplemental indenture.

(c) It shall not be necessary for the consent of the Holders under this Section 9.02 to approve the particular form of any proposed amendment or waiver, but it shall be sufficient if such consent approves the substance thereof.

(d) After an amendment, supplement or waiver under this Section 9.02 becomes effective, the Issuer shall deliver to the Holders affected thereby a notice briefly describing the amendment, supplement or waiver. Any failure of the Issuer to deliver such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such amended or supplemental indenture or waiver.

(e) Without the consent of each affected Holder (including, for the avoidance of doubt, any Notes held by Affiliates), an amendment or waiver under this Section 9.02 may not, with respect to any Notes held by a non-consenting Holder:

(i) reduce the principal amount of such Notes whose Holders must consent to an amendment, supplement or waiver;

(ii) reduce the principal of or change the fixed final maturity of any such Note or reduce the premium payable upon the redemption of such Notes on any date (other than the provisions relating to Section 3.09, Section 4.10 and Section 4.14); *provided*, any amendment to the notice requirements may be made with the consent of the Holders of a majority in aggregate principal amount of then outstanding Notes;

(iii) reduce the rate of or change the time for payment of interest on any Note;

(iv) waive a Default in the payment of principal of or premium, if any, or interest on the Notes, except a rescission of acceleration of the Notes by the Holders of at least a majority in aggregate principal amount of the Notes and a waiver of the payment default that resulted from such acceleration, or in respect of a covenant or provision contained in this Indenture or any Guarantee which cannot be amended or modified without the consent of all affected Holders;

(v) make any Note payable in money other than that stated therein;

(vi) make any change in the provisions of this Indenture relating to waivers of past Defaults;

(vii) make any change in this Article IX that is materially adverse to the Holders;

(viii) impair the contractual right hereunder of any Holder to institute suit for the enforcement of any payment on or with respect to such Holder's Notes;

(ix) make any change to or modify the ranking of the Notes that would adversely affect the Holders; or

(x) except as expressly permitted by this Indenture, modify the Guarantees of any Significant Subsidiary, in any manner materially adverse to the Holders.

SECTION 9.03. [Reserved].

SECTION 9.04. Revocation and Effect of Consents. Until an amendment, supplement or waiver becomes effective, a consent to it by a Holder of a Note is a continuing consent by the Holder of a Note and every subsequent Holder of a Note or portion of a Note that evidences the same debt as the consenting Holder's Note, even if notation of the consent is not made on any Note. However, any such Holder of a Note or subsequent Holder of a Note may revoke the consent as to its Note if the Trustee receives written notice of revocation before the date the amendment, supplement or waiver becomes effective. An amendment, supplement or waiver becomes effective in accordance with its terms and thereafter binds every Holder.

The Issuer may, but shall not be obligated to, fix a record date for the purpose of determining the Holders entitled to consent to any amendment, supplement, or waiver. If a record date is fixed, then, notwithstanding the preceding paragraph, those Persons who were Holders at such record date (or their duly designated proxies), and only such Persons, shall be entitled to consent to such amendment, supplement, or waiver or to revoke any consent previously given, whether or not such Persons continue to be Holders after such record date. No such consent shall be valid or effective for more than 120 days after such record date unless the consent of the requisite number of Holders has been obtained.

SECTION 9.05. Notation on or Exchange of Notes. The Trustee may place an appropriate notation about an amendment, supplement or waiver on any Note thereafter authenticated. The Issuer in exchange for all Notes may issue and the Trustee shall, upon receipt of an Authentication Order, authenticate new Notes that reflect the amendment, supplement or waiver.

Failure to make the appropriate notation or issue a new Note shall not affect the validity and effect of such amendment, supplement or waiver.

SECTION 9.06. Trustee to Sign Amendments, etc. The Trustee shall sign any amendment, supplement or waiver authorized pursuant to this Article IX if the amendment, supplement or waiver does not adversely affect the rights, duties, liabilities or immunities of the Trustee. The Issuer may not sign an amendment, supplement or waiver until the board of directors of the Issuer approves it. Except as set forth below, in executing any amendment, supplement or waiver, the Trustee shall receive, and shall be fully protected in relying conclusively upon, in addition to the documents required by Section 13.04 hereof, an Officer's Certificate and an Opinion of Counsel stating that the execution of such amended or supplemental indenture is authorized or permitted by this Indenture and that such amendment, supplement or waiver is the legal, valid and binding obligation of the Issuer and any Guarantors party thereto, enforceable against them in accordance with its terms, subject to customary exceptions, and complies with the provisions hereof (including Section 9.03 hereof).

Neither an Opinion of Counsel nor an Officer's Certificate will be required for the Trustee to execute any amendment, supplement or other document adding a new Guarantor, nor will an Officer's Certificate be required for the Trustee to execute a supplemental indenture. In addition, an Opinion of Counsel will not be required for the Trustee to execute any amendment, supplement or other document releasing a Guarantor under this Indenture.

ARTICLE X

[RESERVED]

ARTICLE XI

GUARANTEES

SECTION 11.01. Guarantee. Subject to this Article XI, each of the Guarantors hereby, jointly and severally, irrevocably and unconditionally guarantees, on an unsecured basis, to each Holder of a Note authenticated and delivered by the Trustee and to the Trustee and its successors and assigns, irrespective of the validity and enforceability of this Indenture, the Notes or the Obligations of the Issuer hereunder or thereunder, that (a) the principal of and interest and premium, if any, on the Notes shall be promptly paid in full when due, whether at maturity, by acceleration, redemption or otherwise, and interest on the overdue principal of and interest on the Notes, if any, if lawful, and all other obligations of the Issuer to the Holders or the Trustee hereunder or thereunder, including for expenses, indemnification or otherwise, shall be promptly paid in full, all in accordance with the terms hereof and thereof; and (b) in case of any extension of time of payment or renewal of any Notes or any of such other Obligations, that same shall be promptly paid in full when due in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration or otherwise. Failing payment when due of any amount so guaranteed for whatever reason, the Guarantors shall be jointly and severally obligated to pay the same promptly. Each Guarantor agrees that this is a guarantee of payment and not a guarantee of collection.

The Guarantors hereby agree that their obligations hereunder shall be unconditional, irrespective of the validity, regularity or enforceability of the Notes or this Indenture, the absence of any action to enforce the same, any waiver or consent by any Holder with respect to any provisions hereof or thereof, the recovery of any judgment against the Issuer, any action to enforce the same or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor (other than payment in full of all of the Obligations of the Issuer hereunder and under the Notes).

Each Guarantor hereby waives, to the fullest extent permitted by law, diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of the Issuer, any right to require a proceeding first against the Issuer, protest, notice and all demands whatsoever and covenants that this Guarantee shall not be discharged except by full payment of the obligations contained in the Notes and this Indenture or by release in accordance with the provisions of this Indenture.

Each Guarantor also agrees to pay any and all costs and expenses (including reasonable attorneys' fees) incurred by the Trustee or any Holder in enforcing any rights under this Section 11.01.

If any Holder or the Trustee is required by any court or otherwise to return to the Issuer, the Guarantors or any custodian, trustee, liquidator or other similar official acting in relation to either the Issuer or the Guarantors, then any amount paid either to the Trustee or such Holder, then this Guarantee, to the extent theretofore discharged, shall be reinstated in full force and effect.

Until terminated in accordance with Section 11.06, each Guarantor agrees that it shall not be entitled to any right of subrogation in relation to the Holders in respect of any obligations guaranteed hereby until payment in full of all obligations guaranteed hereby. Each Guarantor further agrees that, as between the Guarantors, on the one hand, and the Holders and the Trustee, on the other hand, (x) the maturity of the obligations guaranteed hereby may be accelerated as provided in Article VI hereof for the purposes of this Guarantee, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed hereby, and (y) in the event of any declaration of acceleration of such obligations as provided in Article VI hereof, such obligations (whether or not due and payable) shall forthwith become due and payable by the Guarantors for the purpose of this Guarantee. The Guarantors shall have the right to seek contribution from any nonpaying Guarantor so long as the exercise of such right does not impair the rights of the Holders under the Guarantees.

Each Guarantee shall remain in full force and effect and continue to be effective should any petition be filed by or against the Issuer for liquidation, reorganization, should the Issuer become insolvent or make an assignment for the benefit of creditors or should a receiver or trustee be appointed for all or any significant part of the Issuer's assets, and shall, to the fullest extent permitted by law, continue to be effective or be reinstated, as the case may be, if at any time payment of the Notes are, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee on the Notes or Guarantees, whether as a "voidable preference," "fraudulent transfer" or otherwise, all as though such payment had not been made. In the event that any payment or any part thereof, is rescinded, reduced, restored or returned, the Notes shall, to the fullest extent permitted by law, be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

In case any provision of any Guarantee shall be invalid, illegal or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

The Guarantee issued by any Guarantor shall be a general unsecured senior obligation of such Guarantor and shall be pari passu in right of payment with all existing and future Senior Indebtedness of such Guarantor, if any.

Each payment to be made by a Guarantor in respect of its Guarantee shall be made without setoff, counter-claim, reduction or diminution of any kind or nature.

SECTION 11.02. Limitation on Guarantor Liability. Each Guarantor, and by its acceptance of the Notes, each Holder, hereby confirms that it is the intention of all such parties that the Guarantee of such Guarantor not constitute a fraudulent transfer or conveyance for purposes of Debtor Relief Laws, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar federal or state law to the extent applicable to any Guarantee. To effectuate the foregoing intention, the Trustee, the Holders and the Guarantors hereby irrevocably agree that the obligations of each Guarantor shall be limited to the maximum amount as will, after giving effect to such maximum amount and all other contingent and fixed liabilities of such Guarantor that are relevant under such laws and after giving effect to any collections from, rights to receive contribution from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor under this Article XI, result in the obligations of such Guarantor under its Guarantee not constituting a fraudulent conveyance or fraudulent transfer under applicable law. Each Guarantor that makes a payment under its Guarantee shall be entitled upon payment in full of all guaranteed obligations under this Indenture to a contribution from each other Guarantor in an amount equal to such other Guarantor's *pro rata* portion of such payment based on the respective net assets of all the Guarantors at the time of such payment determined in accordance with GAAP.

SECTION 11.03. Execution and Delivery. To evidence its Guarantee set forth inSection 11.01 hereof, each Guarantor hereby agrees that this Indenture (or, with regard to each Guarantor that becomes a party hereto after the date hereof, a supplemental indenture in the form of Exhibit D) shall be executed on behalf of such Guarantor by one of its authorized Officers.

Each Guarantor hereby agrees that its Guarantee set forth in Section 11.01 hereof shall remain in full force and effect notwithstanding the absence of the endorsement of any notation of such Guarantee on the Notes.

If an Officer whose signature is on this Indenture no longer holds that office at the time the Trustee authenticates the Note, the Guarantee of such Guarantor shall be valid nevertheless.

The delivery of any Note by the Trustee, after the authentication thereof hereunder, shall constitute due delivery of the Guarantee set forth in this Indenture on behalf of the Guarantors.

If required by Section 4.15 hereof, the Issuer shall cause any newly created or acquired Restricted Subsidiary to comply with the provisions of Section 4.15 hereof and this Article XI, to the extent applicable.

SECTION 11.04. Subrogation. Subject to the fifth paragraph ofSection 11.01 and Section 11.02, each Guarantor shall be subrogated to all rights of Holders against the Issuer in respect of any amounts paid by any Guarantor pursuant to the provisions of Section 11.01 hereof; *provided* that, if an Event of Default has occurred and is continuing, no Guarantor shall be entitled to enforce or receive any payments arising out of, or based upon, such right of subrogation until all amounts then due and payable by the Issuer under this Indenture or the Notes shall have been paid in full.

SECTION 11.05. Benefits Acknowledged. Each Guarantor acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated by this Indenture and that the guarantee and waivers made by it pursuant to its Guarantee are knowingly made in contemplation of such benefits.

SECTION 11.06. Release of Guarantees. (a) Each Guarantee by a Guarantor will provide by its terms that it shall be automatically and unconditionally released and discharged and shall thereupon terminate and be of no further force and effect, and no further action by such Guarantor, the Issuer or the Trustee is required for the release of such Guarantor's Guarantee, upon:

(i) in the case of a Subsidiary Guarantor, any sale, exchange, issuance, disposition or transfer (by merger, amalgamation, consolidation or otherwise) of (A) the Capital Stock of such Guarantor, after which the applicable Guarantor is no longer a Restricted Subsidiary, or (B) all or substantially all of the assets of such Guarantor (including to the Issuer or another Guarantor), in each case if such sale, exchange, issuance, disposition or transfer is made in compliance with the applicable provisions of this Indenture;

(ii) in the case of a Subsidiary Guarantor, (A) the release or discharge of the guarantee by, or direct obligation of, such Guarantor of Indebtedness under the Senior Credit Facilities or Capital Markets Indebtedness of the Issuer or any Guarantor, or (B) the release or discharge of such other guarantee that resulted in the creation of such Guarantee, except, in each case, a discharge or release by or as a result of payment under such guarantee or direct obligation (it being understood that, in each case, a release subject to a contingent reinstatement is still a release);

(iii) (A) the designation of any Restricted Subsidiary that is a Subsidiary Guarantor as an Unrestricted Subsidiary in compliance with the applicable provisions of this Indenture or (B) such Subsidiary Guarantor otherwise becoming an Excluded Subsidiary;

(iv) (A) the exercise by the Issuer of its Legal Defeasance option or Covenant Defeasance option in accordance with Article VIII hereof or (B) the discharge of the Issuer's obligations under this Indenture (including pursuant to a satisfaction and discharge of this Indenture under Section 12.01 or through redemption or repurchase of all the Notes or otherwise) in accordance with the terms of this Indenture;

(v) (A) the merger, amalgamation, consolidation or winding up of any Guarantor with and into the Issuer or another Guarantor or a Restricted Subsidiary that becomes a Guarantor that is the surviving Person in such merger, amalgamation, consolidation or winding up, or upon the liquidation of a Guarantor following the transfer of all or substantially all of its assets, in each case in a transaction that complies with the applicable provisions hereof or (B) the dissolution or liquidation of any Guarantor permitted by the applicable provisions of this Indenture;

(vi) as described under Article IX; or

(vii) upon the occurrence of a Covenant Suspension Event.

(b) [Reserved].

(c) Notwithstanding any other provisions of this Section 11.06, any Guarantee by a Parent Company may be automatically and unconditionally released and discharged for any reason.

(d) The Issuer will have the right, upon delivery of an Officer's Certificate to the Trustee, to cause any Guarantor that has not guaranteed any Indebtedness under the Senior Credit Facilities or any Capital Markets Indebtedness of the Issuer or any Guarantor, and is not otherwise required by the applicable terms of this Indenture to provide a Guarantee, to be unconditionally released and discharged from all obligations under its Guarantee, and such Guarantee will thereupon automatically and unconditionally terminate and be discharged and of no further force or effect.

ARTICLE XII

SATISFACTION AND DISCHARGE

SECTION 12.01. Satisfaction and Discharge. This Indenture shall be discharged and shall cease to be of further effect as to all Notes, when either:

(a) all Notes theretofore authenticated and delivered, except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has theretofore been deposited in trust, have been delivered to the Trustee for cancellation; or

(b) (i) all Notes not theretofore delivered to the Trustee for cancellation have become due and payable by reason of the making of one or more notices of redemption or otherwise, will become due and payable within one year or may be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Issuer, and the Issuer or any Guarantor has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust solely for the benefit of the Holders, cash in U.S. dollars, U.S. dollar-denominated Government Securities, or a combination thereof, in such amounts as will be sufficient (without consideration of any reinvestment of interest) to pay and discharge the entire indebtedness on the Notes not theretofore delivered to the Trustee for cancellation for principal, premium, if any, and accrued interest to the date of maturity or redemption; *provided*, (A) upon any redemption that requires the payment of the Applicable Premium, the amount deposited will be sufficient for purposes of this Indenture to the extent that an amount is deposited with the Trustee equal to the Applicable Premium calculated as of the date of the notice of redemption, with any Applicable Premium Deficit only required to be deposited with the Trustee on or prior to the date of redemption and (B) any Applicable Premium Deficit will be set forth in an Officer's Certificate delivered to the Trustee simultaneously with the deposit of such Applicable Premium Deficit that confirms that such Applicable Premium Deficit will be applied toward such redemption;

(ii) the Issuer has paid or caused to be paid all sums payable by it under this Indenture; and

(iii) the Issuer has delivered irrevocable instructions to the Trustee to apply the deposited money toward the payment of the Notes at maturity or the Redemption Date, as the case may be.

In addition, the Issuer must deliver an Officer's Certificate and an Opinion of Counsel to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied. Such Opinion of Counsel may rely on such Officer's Certificate as to matters of fact, including clauses (b)(i), (ii) and (iii) above.

Notwithstanding the satisfaction and discharge of this Indenture, if money shall have been deposited with the Trustee pursuant to subclause (i) of clause (b) of this Section 12.01, the provisions of Section 12.02 and Section 8.06 hereof shall survive such satisfaction and discharge.

SECTION 12.02. Application of Trust Money. Subject to the provisions of Section 8.06 hereof, all money deposited with the Trustee pursuant to Section 12.01 hereof shall be held in trust and applied by it, in accordance with the provisions of the Notes and this Indenture, to the payment, either directly or through any Paying Agent (including the Issuer or a Guarantor acting as its own Paying Agent) as the Trustee may determine, to the Persons entitled thereto, of the principal (and premium, if any) and interest for whose payment such money has been deposited with the Trustee; but such money need not be segregated from other funds except to the extent required by law.

If the Trustee or Paying Agent is unable to apply any money or Government Securities in accordance with Section 12.01 hereof by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Issuer's and any Guarantor's obligations under this Indenture and the Notes shall be revived and reinstated as though no deposit had occurred pursuant to Section 12.01 hereof; *provided* that if the Issuer has made any payment of principal of, premium, if any, or interest on any Notes because of the reinstatement of its obligations, the Issuer shall be subrogated to the rights of the Holders of such Notes to receive such payment from the money or Government Securities held by the Trustee or Paying Agent.

ARTICLE XIII

MISCELLANEOUS

SECTION 13.01. [Reserved].

SECTION 13.02. Notices. Any notice or communication by the Issuer, any Guarantor or the Trustee to the others is duly given if in writing and delivered in person or mailed by first-class mail (registered or certified, return receipt requested), facsimile, electronic mail (in ".pdf" format) or overnight air courier guaranteeing next day delivery, to the others' address:

If to the Issuer and/or any Guarantor:

Life Time, Inc.
2902 Corporate Place
Chanhassen, Minnesota 55317
Attention: Thomas Bergmann / Chief Financial Officer
Email: tbergmann@lt.life
Facsimile: (952) 947-0099

with a copy to:

Latham & Watkins LLP
885 Third Avenue
New York, NY 10022
Attention: Jason Licht
Facsimile: (212) 906-1322

and

Faegre Drinker Biddle & Reath LLP
2200 Wells Fargo Center
90 South Seventh Street
Minneapolis, MN 55402-3901
Attention: James M. Pfau
Facsimile: (612) 766 8616

If to the Trustee:

Wilmington Savings Fund Society, FSB
500 Delaware Avenue, 11th Floor
Wilmington, DE 19809
Attention: Corporate Trust – Life Time, Inc.
Fax: (302) 421-9137

The Issuer, any Guarantor or the Trustee, by notice to the others, may designate additional or different addresses for subsequent notices or communications.

All notices and communications (other than those sent to Holders) shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; five calendar days after being deposited in the mail, postage prepaid, if mailed by first-class mail; on the first date on which publication is made or electronic delivery made; and the next Business Day after timely delivery to the courier, if sent by overnight air courier guaranteeing next day delivery; *provided* that any notice or communication delivered to the Trustee shall be deemed effective upon actual receipt thereof.

Any notice or communication to a Holder shall be electronically delivered, mailed by first-class mail, certified or registered, return receipt requested, or by overnight air courier guaranteeing next day delivery to its address shown on the Note Register kept by the Registrar. Notice given in accordance with the Applicable Procedures will be deemed given on the date sent to DTC.

Failure to deliver a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders.

If a notice or communication is mailed or otherwise delivered in the manner provided above within the time prescribed, such notice or communication shall be deemed duly given, whether or not the addressee receives it.

If the Issuer delivers or mails a notice or communication to Holders, it shall deliver or mail a copy to the Trustee and each Agent at the same time.

SECTION 13.03. Communication by Holders with Other Holders. Notwithstanding any other provision of this Indenture or any Note, where this Indenture or any Note provides for notice of any event or any other communication (including any notice of redemption or repurchase) to a holder of a Global Note (whether by mail or otherwise), such notice shall be sufficiently given if given to the Depository (or its designee) pursuant to the standing instructions from the Depository or its designee, including by electronic mail in accordance with accepted practices at the Depository.

SECTION 13.04. Certificate and Opinion as to Conditions Precedent. Upon any request or application by the Issuer or any of the Guarantors to the Trustee to take any action under this Indenture (other than as set forth in the last sentence of Section 9.06 and with respect to clause (b) below, in connection with the initial issuance of Notes on the Issue Date), the Issuer or such Guarantor, as the case may be, shall furnish to the Trustee, as applicable:

(a) An Officer's Certificate in form reasonably satisfactory to the Trustee (which shall include the statements set forth in Section 13.05 hereof), stating that, in the opinion of the signers, all conditions precedent and covenants, if any, provided for in this Indenture relating to the proposed action have been satisfied; and

(b) An Opinion of Counsel in form reasonably satisfactory to the Trustee (which shall include the statements set forth in Section 13.05 hereof), stating that, in the opinion of such counsel, all such conditions precedent and covenants have been satisfied.

SECTION 13.05. Statements Required in Certificate or Opinion. Each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include:

(a) a statement that the Person making such certificate or opinion has read such covenant or condition;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of such Person, he or she has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with (and, in the case of an Opinion of Counsel, may be limited to reliance on an Officer's Certificate as to matters of fact); and

(d) a statement as to whether or not, in the opinion of such Person, such condition or covenant has been complied with;*provided*, *however*, that with respect to matters of fact, an Opinion of Counsel may rely on an Officer's Certificate or certificates of public officials.

SECTION 13.06. Rules by Trustee and Agents. The Trustee may make reasonable rules for action by or at a meeting of Holders. The Registrar or Paying Agent may make reasonable rules and set reasonable requirements for its functions.

SECTION 13.07. No Personal Liability of Directors, Officers, Employees and Stockholders. No past, present or future director, officer, employee, incorporator, member, partner or equity holder of the Issuer or any Guarantor or any Parent Company (other than, with respect to members, partners and equity holders, the Issuer and the Guarantors) will have any liability for any obligations of the Issuer or the Guarantors under the Notes, the Guarantees, this Indenture or any supplemental indenture or for any claim based on, in respect of, or by reason of such obligations or their creation. Each Holder by accepting Notes waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

SECTION 13.08. Governing Law. THIS INDENTURE, THE NOTES AND ANY GUARANTEE WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

SECTION 13.09. Waiver of Jury Trial. EACH OF THE ISSUER, THE GUARANTORS AND THE TRUSTEE HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS INDENTURE, THE NOTES OR THE TRANSACTIONS CONTEMPLATED HEREBY.

SECTION 13.10. Force Majeure. In no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations under this Indenture arising out of or caused by, directly or indirectly, forces beyond its reasonable control, including without limitation strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, epidemics, pandemics and interruptions, loss or malfunctions of utilities, communications or computer (software or hardware) services.

SECTION 13.11. No Adverse Interpretation of Other Agreements. This Indenture may not be used to interpret any other indenture, loan or debt agreement of the Issuer or its Restricted Subsidiaries or of any other Person. Any such indenture, loan or debt agreement may not be used to interpret this Indenture.

SECTION 13.12. Successors. All agreements of the Issuer in this Indenture and the Notes shall bind its successors.

All agreements of the Trustee in this Indenture shall bind its successors. All agreements of each Guarantor in this Indenture shall bind its successors, except as otherwise provided in Section 11.06 hereof.

SECTION 13.13. Severability. In case any provision in this Indenture or in the Notes shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 13.14. Counterpart Originals. The parties may sign any number of copies of this Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. This Indenture may be executed in multiple counterparts, which, when taken together, shall constitute one instrument. The exchange of copies of this Indenture and of signature pages by facsimile or PDF transmissions shall constitute effective execution and delivery of this Indenture as to the parties hereto and may be used in lieu of the original Indenture for all purposes. Signatures of the parties hereto transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes.

SECTION 13.15. Table of Contents, Headings, etc. The Table of Contents, Cross-Reference Table and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not to be considered a part of this Indenture and shall in no way modify or restrict any of the terms or provisions hereof.

SECTION 13.16. Legal Holidays. If a payment date (including a Redemption Date, Change of Control Payment Date or other purchase date or repurchase date) is on a Legal Holiday, payment will be made on the next succeeding day that is not a Legal Holiday and no interest shall accrue for the intervening period.

SECTION 13.17. USA PATRIOT Act. The parties hereto acknowledge that in order to help the government fight the funding of terrorism and money laundering activities, pursuant to federal regulations that became effective on October 1, 2003, Section 326 of the USA PATRIOT Act requires all financial institutions to obtain, verify, and record information that identifies each person establishing a relationship or opening an account with Wilmington Savings Fund Society, FSB. The parties hereto agree that they will provide the Trustee with name, address, tax identification number, if applicable, and other information that will allow the Trustee to identify the individual or entity who is establishing the relationship, and will further provide the Trustee with formation documents such as articles of incorporation or other identifying documents.

SECTION 13.18. No Incorporation by Reference of Trust Indenture Act. This Indenture is not qualified under the Trust Indenture Act, and the Trust Indenture Act shall not apply to or in any way govern the terms of this Indenture. Holdings, the Issuer and its Subsidiaries will not be required to comply with any provision of the Trust Indenture Act, including Sections 314(a) and 316(b) of the Trust Indenture Act. As a result, no provisions of the Trust Indenture Act are incorporated into this Indenture unless expressly incorporated pursuant to this Indenture.

[Signatures on following page]

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed as of the date first above written.

LIFE TIME, INC.

By: /s/ Thomas E. Bergmann
Name: Thomas E. Bergmann
Title: President and Chief Financial Officer

WILMINGTON SAVINGS FUND
SOCIETY, FSB, as Trustee

By: /s/ Geoffrey J. Lewis
Name: Geoffrey J. Lewis
Title: Vice President

EXHIBIT A

CUSIP/ISIN

[RULE 144A][REGULATION S][IAI] GLOBAL NOTE

8.000% Senior Notes due 2026

No. [Up to] US$[ ]

LIFE TIME, INC.

promises to pay to or registered assigns,

the principal sum of [the principal sum set forth on the Schedule of Exchange of Interests in the Global Note attached hereto] [DOLLARS] on April 15, 2026.

Interest Payment Dates: April 15 and October 15, beginning October 15, 2021

Record Dates: April 1 and October 1

IN WITNESS HEREOF, the Issuer has caused this instrument to be duly executed.

LIFE TIME, INC.

By: _____
Name:
Title:

This is one of the Notes referred to
in the within-mentioned Indenture:

WILMINGTON SAVINGS FUND SOCIETY, FSB, as
Trustee

By: _____
Authorized Signatory

Dated:

Capitalized terms used herein shall have the meanings assigned to them in the Indenture referred to below unless otherwise indicated.

1. INTEREST. Life Time, Inc. (the "Issuer"), promises to pay interest on the principal amount of this Note at a rate per annum of 8.000% from February 5, 2021 until maturity. The Issuer will pay interest on this Note semi-annually in arrears on April 15 and October 15 of each year, beginning October 15, 2021 or, if any such day is not a Business Day, on the next succeeding Business Day (each, an "Interest Payment Date"). The Issuer will make each interest payment to the Holder of record of this Note on the immediately preceding April 1 and October 1 (each, a "Record Date"). Interest on this Note will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the date of issuance; *provided* that the first Interest Payment Date shall be October 15, 2021. The Issuer will pay interest (including post-petition interest in any proceeding under any Debtor Relief Laws) on overdue principal and premium, if any, from time to time on demand at the rate borne by this Note; it shall pay interest (including post-petition interest in any proceeding under any Debtor Relief Laws) on overdue installments of interest (without regard to any applicable grace periods) from time to time on demand at the rate borne by this Note. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

2. METHOD OF PAYMENT. The Issuer will pay interest on this Note to the Person who is the registered Holder of this Note at the close of business on the Record Date (whether or not a Business Day) next preceding the Interest Payment Date, even if this Note is cancelled after such Record Date and on or before such Interest Payment Date, except as provided in Section 2.12 of the Indenture with respect to defaulted interest. Payments of principal of, premium, if any, and interest on the Notes will be payable at the office or agency of the Issuer maintained pursuant to Section 4.02 of the Indenture or, at the option of the Issuer, may be made by check mailed to the Holders at their addresses set forth in the Note Register, *provided* that (a) all payments of principal, premium, if any, and interest on, Notes represented by Global Notes registered in the name of or held by DTC or its nominee will be made by wire transfer of immediately available funds to the accounts specified by the Holder or Holders thereof and (b) all payments of principal, premium, if any, and interest with respect to certificated Notes will be made by wire transfer to a U.S. dollar account maintained by the payee with a bank in the United States if such Holder elects payment by wire transfer by giving written notice to the Trustee or the Paying Agent to such effect designating such account no later than 30 days immediately preceding the relevant due date for payment (or such other date as the Trustee may accept in its discretion). Such payment shall be in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. If a payment date (including a Redemption Date, Change of Control Payment Date or other purchase date or repurchase date) is on a Legal Holiday, payment will be made on the next succeeding day that is not a Legal Holiday and no interest shall accrue for the intervening period.

3. PAYING AGENT AND REGISTRAR. Initially, Wilmington Savings Fund Society, FSB, the Trustee under the Indenture, will act as Paying Agent and Registrar. The Issuer may change any Paying Agent or Registrar without prior notice to any Holder. The Issuer or any of its domestic Subsidiaries may act in any such capacity.

4. INDENTURE. The Issuer issued the Notes under an Indenture, dated as of February 5, 2021 (the "Indenture"), among Life Time, Inc., the Guarantors party thereto from time to time and the Trustee. The Issuer shall be entitled to issue Additional Notes in accordance with Sections 2.01 and 4.09 of the Indenture. The terms of the Notes include those stated in the Indenture. The Notes are subject to all such terms, and Holders are referred to the Indenture for a statement of such terms. To the extent any provision of this Note conflicts with the express provisions of the Indenture, the provisions of the Indenture shall govern and be controlling.

5. OPTIONAL REDEMPTION.

(a) At any time prior to February 1, 2023, the Issuer may, at its option, on one or more occasions redeem all or a part of the Notes, upon notice as described under Section 3.03 of the Indenture, at a redemption price (as calculated by the Issuer) equal to the sum of (i) 100.0% of the principal amount of the Notes redeemed, *plus* (ii) the Applicable Premium calculated as of the date the notice of redemption is given, *plus* (iii) accrued and unpaid interest, if any, to, but excluding, the Redemption Date, subject to the right of Holders of record on the relevant Record Date to receive interest due on the relevant Interest Payment Date. Any notice of redemption made in connection with a related transaction or event (including an Equity Offering, contribution, Change of Control, Asset Sale or other transaction) may, at the Issuer's discretion, be given prior to the completion or the occurrence thereof, and any such redemption or notice may, at the Issuer's discretion, be subject to one or more conditions precedent, including, but not limited to, the completion or occurrence of the related transaction or event, as the case may be.

(b) At any time prior to February 1, 2023, the Issuer may, at its option and on one or more occasions, redeem, upon notice as described under Section 3.03 of the Indenture, up to 40.0% of the aggregate principal amount of Notes and Additional Notes issued under the Indenture at a redemption price (as calculated by the Issuer) equal to the sum of (i) 108.000% of the aggregate principal amount thereof, with an amount equal to or less than the cash proceeds less underwriting fees from one or more Equity Offerings to the extent such cash proceeds are received by or contributed to the Issuer, *plus* (ii) accrued and unpaid interest thereon, if any, to, but excluding, the Redemption Date, subject to the right of Holders of record on the relevant Record Date to receive interest due on the relevant Interest Payment Date; *provided*, (a) at least 50.0% of the aggregate principal amount of Notes originally issued under the Indenture on the Issue Date (and excluding any Additional Notes issued under the Indenture after the Issue Date) remains outstanding immediately after the occurrence of each such redemption (except to the extent otherwise repurchased or redeemed (or to be repurchased or redeemed) in accordance with the terms of the Indenture); (b) that for purposes of calculating the principal amount of the Notes able to be redeemed with such cash proceeds of such Equity Offering or Equity Offerings, such amount shall include the principal amount of the Notes to be redeemed plus the premium on such Notes to be redeemed; and (c) each such redemption occurs within 180 days of the date of closing of each such Equity Offering or contribution.

(c) In connection with any tender offer or other offer to purchase the Notes (including a Change of Control Offer, Alternate Offer or Asset Sale Offer), if Holders of not less than 90% of the aggregate principal amount of the then outstanding Notes validly tender and do not withdraw such Notes in such offer and the Issuer, or any third party making such offer in lieu of the Issuer, purchases all of the Notes validly tendered and not withdrawn by such Holders, all of the Holders will be deemed to have consented to such tender offer or other offer to purchase and, accordingly, the Issuer or such third party will have the right upon notice, given not more than 90 days following such purchase date, to redeem all of the Notes that remain outstanding following such purchase at a price equal to the price offered to each other Holder in such tender offer or other offer to purchase (which may be less than par and shall exclude any early tender premium and any accrued and unpaid interest paid to any Holder in such offer payment), *plus*, to the extent not included in the offer payment, accrued and unpaid interest, if any, thereon, to, but excluding, the Redemption Date. A Change of Control Offer and an Asset Sale Offer may be made at the same time as consents are solicited with respect to an amendment, supplement or waiver of the Indenture, Notes and/or Guarantees (but the Change of Control Offer or Asset Sale Offer, as applicable, may not condition tenders on the delivery of such consents).

(d) Except pursuant to clause (a), (b) or (c) of Section 3.07 of the Indenture, the Notes will not be redeemable at the Issuer's option prior to February 1, 2023.

(e) On and after February 1, 2023, the Issuer may, at its option, redeem the Notes, in whole or in part, on one or more occasions, upon notice as described under Section 3.03 of the Indenture, at the redemption prices (expressed as percentages of principal amount of the Notes to be redeemed) set forth below, plus accrued and unpaid interest, if any, to, but excluding, the Redemption Date, subject to the right of Holders of record on the relevant Record Date to receive interest due on the relevant Interest Payment Date, if redeemed during the twelve-month period beginning on February 1 of each of the years indicated below:

Year	Percentage
2023	104.000%
2024	102.000%
2025 and thereafter	100.000%

(e) Any redemption pursuant to Section 3.07 of the Indenture shall be made pursuant to the provisions of Sections 3.01 through 3.06 of the Indenture.

6. MANDATORY REDEMPTION; OFFERS TO PURCHASE AND OPEN MARKET PURCHASES. The Issuer will not be required to make any mandatory redemption or sinking fund payments with respect to the Notes. However, under certain circumstances, the Issuer may be required to offer to purchase Notes as described under Sections 4.10 and 4.14 of the Indenture.

7. NOTICE OF REDEMPTION. Subject to Section 3.03 of the Indenture, the Issuer shall deliver electronically, mail or cause to be mailed by first-class mail, postage prepaid notices of redemption at least 10 days but, except as set forth in Section 3.07(h) of the Indenture, not more than 90 days before the Redemption Date to each Holder to be redeemed at such Holder's registered address or otherwise in accordance with Applicable Procedures, except that redemption notices may be delivered or mailed more than 90 days prior to a Redemption Date if the notice is issued in connection with Article VIII or Article XI of the Indenture.

8. OFFERS TO REPURCHASE. Upon the occurrence of a Change of Control, the Issuer shall make a Change of Control Offer in accordance with Section 4.14 of the Indenture. In connection with certain Asset Sales, the Issuer shall make an Asset Sale Offer as and when provided in accordance with Sections 3.09 and 4.10 of the Indenture.

9. DENOMINATIONS, TRANSFER, EXCHANGE. The Notes are in registered form without coupons in denominations of $2,000 and any integral multiple of $1,000 in excess of $2,000. The transfer of Notes shall be registered and Notes may only be exchanged as provided in the Indenture. The Registrar and the Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and the Issuer may require a Holder to pay any taxes and fees required by law or permitted by the Indenture. The Issuer need not issue, exchange or register the transfer of any Note or portion of a Note selected for redemption, except for the unredeemed portion of any Note being redeemed in part. Also, the Issuer need not issue, exchange or register the transfer of any Notes during the period of 15 days before the mailing of a notice of redemption of Notes to be redeemed or between a Record Date with respect to such Note and the next succeeding Interest Payment Date with respect to such Note.

10. PERSONS DEEMED OWNERS. The registered Holder shall be treated as its owner for all purposes. Only registered Holders shall have rights hereunder.

11. AMENDMENT, SUPPLEMENT AND WAIVER. The Indenture, the Guarantees or the Notes may be amended or supplemented as provided in the Indenture.

12. DEFAULTS AND REMEDIES. The Events of Default relating to the Notes are defined in Section 6.01 of the Indenture. If any Event of Default occurs and is continuing, the Trustee or the Holders of at least 30.0% in principal amount of the then outstanding Notes by notice to the Issuer may declare the principal, premium, if any, interest and any other monetary obligations on all the then outstanding Notes to be due and payable immediately. Notwithstanding the foregoing, in the case of an Event of Default arising from certain events of bankruptcy or insolvency with respect to the Issuer, all outstanding Notes will become due and payable immediately without further action or notice. Holders may not enforce the Indenture, the Notes or the Guarantees except as provided in the Indenture. Subject to certain limitations, Holders of a majority in aggregate principal amount of the then outstanding Notes may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from Holders notice of any continuing Default (except a Default relating to the payment of principal, premium, if any, or interest) if it determines that withholding notice is in their interest. The Holders of a majority of the aggregate principal amount of the Notes then outstanding by written notice to the Trustee may on behalf of the Holders of all of the Notes waive any existing Default or and its consequences under the Indenture except a continuing Default in payment of the principal of, premium, if any, or interest on, any of the Notes held by a nonconsenting Holder. The Issuer is required to deliver to the Trustee annually a statement regarding compliance with the Indenture, and the Issuer is required within thirty (30) Business Days after becoming aware of any Default, unless such Default has been cured, waived or is no longer continuing within such 30-day period, to deliver to the Trustee a statement specifying such Default and what action the Issuer proposes to take with respect thereto.

13. AUTHENTICATION. This Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose until authenticated by the manual signature of the Trustee.

14. GOVERNING LAW. THE INDENTURE, THIS NOTE AND ANY GUARANTEE WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

15. CUSIP AND ISIN NUMBERS. Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Issuer has caused CUSIP and ISIN numbers to be printed on the Notes and the Trustee may use CUSIP and ISIN numbers in notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

The Issuer will furnish to any Holder upon written request and without charge a copy of the Indenture. Requests may be made to the Issuer at the following address:

Life Time, Inc.
2902 Corporate Place, Chanhassen, Minnesota 55317
Tel. No.: (952) 947-0000

ASSIGNMENT FORM

To assign this Note, fill in the form below:

(I) or (we) assign and transfer this Note to: _____
(Insert assignee's legal name)

_____
(Insert assignee's soc. sec. or tax I.D. no.)

_____

_____

_____

_____

_____
(Print or type assignee's name, address and zip code)

and irrevocably appoint _____ to transfer this Note on the books of the Issuer. The agent may substitute another to act for him.

Date: _____

Your Signature: _____
(Sign exactly as your name appears on the face of this Note)

Signature Guarantee*: _____

* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Note purchased by the Issuer pursuant to Section 4.10 or 4.14 of the Indenture, check the appropriate box below:

[ ] Section 4.10 [ ] Section 4.14

If you want to elect to have only part of this Note purchased by the Issuer pursuant to Section 4.10 or Section 4.14 of the Indenture, state the amount you elect to have purchased:

$

Date: _____

Your Signature: _____

(Sign exactly as your name appears on the face of this Note)

Tax Identification No.: _____

Signature Guarantee*: _____

* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

SCHEDULE OF EXCHANGES OF INTERESTS IN THE GLOBAL NOTE*

The initial outstanding principal amount of this Global Note is $. The following exchanges of a part of this Global Note for an interest in another Global Note or for a Definitive Note, or exchanges of a part of another Global or Definitive Note for an interest in this Global Note, have been made:

Date of Exchange	Amount of decrease in Principal Amount of this Global Note	Amount of increase in Principal Amount of this Global Note	Principal Amount of this Global Note following such decrease or increase	Signature of authorized signatory of Trustee or Custodian

* This schedule should be included only if the Note is issued in global form.

EXHIBIT B

FORM OF CERTIFICATE OF TRANSFER

Life Time, Inc.
2902 Corporate Place
Chanhassen, Minnesota 55317
Attention: Thomas Bergmann / Chief Financial Officer
Email: tbergmann@lt.life
Facsimile: (952) 947-0099

Wilmington Savings Fund Society, FSB,
as Trustee and Registrar
500 Delaware Avenue, 11th Floor
Wilmington, DE 19808
Attention: Global Capital Markets – Life Time, Inc.
Fax No.: (302) 421-9137

Re: 8.000% Senior Notes due 2026

Reference is hereby made to the Indenture, dated as of February 5, 2021 (the "Indenture"), among Life Time, Inc., the Guarantors party thereto from time to time and the Trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

(the "Transferor") owns and proposes to transfer the Note[s] or interest in such Note[s] specified in Annex A hereto, in the principal amount of $ in such Note[s] or interests (the "Transfer"), to (the "Transferee"), as further specified in Annex A hereto. In connection with the Transfer, the Transferor hereby certifies that:

[CHECK ALL THAT APPLY]

1. [ ] CHECK IF TRANSFEREE WILL TAKE DELIVERY OF A BENEFICIAL INTEREST IN THE RELEVANT 144A GLOBAL NOTE OR RELEVANT DEFINITIVE NOTE PURSUANT TO RULE 144A. The Transfer is being effected pursuant to and in accordance with Rule 144A under the United States Securities Act of 1933, as amended (the "Securities Act"), and, accordingly, the Transferor hereby further certifies that the beneficial interest or Definitive Note is being transferred to a Person that the Transferor reasonably believes is purchasing the beneficial interest or Definitive Note for its own account, or for one or more accounts with respect to which such Person exercises sole investment discretion, and such Person and each such account is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A, and such Transfer is in compliance with any applicable blue sky securities laws of any state of the United States.

2. [ ] CHECK IF TRANSFEREE WILL TAKE DELIVERY OF A BENEFICIAL INTEREST IN THE RELEVANT REGULATION S GLOBAL NOTE OR RELEVANT DEFINITIVE NOTE PURSUANT TO REGULATION S. The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and, accordingly, the Transferor hereby further certifies that (i) the Transfer is not being made to a person in the United States and (x) at the time the buy order was originated, the Transferee was outside the United States or such Transferor and any Person acting on its behalf reasonably believed and believes that the Transferee was outside the United States or (y) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither such Transferor nor any Person acting on its behalf knows that the transaction was prearranged with a buyer in the United States, (ii) no directed selling efforts have been made in contravention of the requirements of Rule 903(b) or Rule 904(b) of Regulation S under the Securities Act, (iii) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act and (iv) if the proposed transfer is being made prior to the expiration of the applicable Restricted Period, the transfer is not being made to a U.S. Person or for the account or benefit of a U.S. Person (other than an Initial Purchaser). Upon consummation of the proposed transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will be subject to the restrictions on Transfer enumerated in the Indenture and the Securities Act.

3. [ ] CHECK IF TRANSFEREE WILL TAKE DELIVERY OF A BENEFICIAL INTEREST IN THE RELEVANT IAI GLOBAL NOTE OR RELEVANT DEFINITIVE NOTE PURSUANT TO RULE 501. The Transfer is being effected to an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act) that has furnished to the Trustee a signed letter substantially in the form of Exhibit E of the Indenture, and such Transfer is in compliance with any applicable blue sky laws of any state of the United States.

4. [ ] CHECK AND COMPLETE IF TRANSFEREE WILL TAKE DELIVERY OF A BENEFICIAL INTEREST IN THE RELEVANT DEFINITIVE NOTE PURSUANT TO ANY PROVISION OF THE SECURITIES ACT OTHER THAN RULE 144A OR REGULATION S. The Transfer is being effected in compliance with the transfer restrictions applicable to beneficial interests in Restricted Global Notes and Restricted Definitive Notes and pursuant to and in accordance with the Securities Act and any applicable blue sky securities laws of any state of the United States, and accordingly the Transferor hereby further certifies that (check one):

(a) [ ] such Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act; or

(b) [ ] such Transfer is being effected to the Issuer or a subsidiary thereof.

5. [ ] CHECK IF TRANSFEREE WILL TAKE DELIVERY OF A BENEFICIAL INTEREST IN AN UNRESTRICTED GLOBAL NOTE OR OF AN UNRESTRICTED DEFINITIVE NOTE.

(a) [ ] CHECK IF TRANSFER IS PURSUANT TO RULE 144. (i) The Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes, on Restricted Definitive Notes and in the Indenture.

(b) [ ] CHECK IF TRANSFER IS PURSUANT TO REGULATION S. (i) The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes, on Restricted Definitive Notes and in the Indenture.

(c) [ ] CHECK IF TRANSFER IS PURSUANT TO OTHER EXEMPTION. (i) The Transfer is being effected pursuant to and in compliance with an exemption from the registration requirements of the Securities Act other than Rule 144, Rule 903 or Rule 904 and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any State of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will not be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes or Restricted Definitive Notes and in the Indenture.

This certificate and the statements contained herein are made for your benefit and the benefit of the Issuer.

[Insert Name of Transferor]

By: _____
Name:
Title:

Dated: _____

1. The Transferor owns and proposes to transfer the following:

[CHECK ONE OF (a) OR (b)]

(a) [ ] a beneficial interest in the:

(i) [ ] 144A Global Note ([CUSIP:]), or

(ii) [ ] Regulation S Global Note ([CUSIP:]), or

(iii) [ ] IAI Global Note ([CUSIP:]), or

(b) [ ] a Restricted Definitive Note.

2. After the Transfer the Transferee will hold:

[CHECK ONE]

(a) [ ] a beneficial interest in the:

(i) [ ] 144A Global Note ([CUSIP:]), or

(ii) [ ] Regulation S Global Note ([CUSIP:]), or

(iii) [ ] IAI Global Note ([CUSIP:]), or

(iv) [ ] Unrestricted Global Note ([ ] [ ]), or

(b) [ ] a Restricted Definitive Note; or

(c) [ ] an Unrestricted Definitive Note, in accordance with the terms of the Indenture.

EXHIBIT C

FORM OF CERTIFICATE OF EXCHANGE

Life Time, Inc.
2902 Corporate Place
Chanhassen, Minnesota 55317
Attention: Thomas Bergmann / Chief Financial Officer
Email: tbergmann@lt.life
Facsimile: (952) 947-0099

Wilmington Savings Fund Society, FSB ,
as Trustee and Registrar
500 Delaware Avenue, 11th Floor
Wilmington, DE 19808
Attention: Corporate Trust – Life Time, Inc.
Fax No.: (302) 421-9137

Re: 8.000% Senior Notes due 2026

Reference is hereby made to the Indenture, dated as of February 5, 2021 (the "Indenture"), among Life Time, Inc., the Guarantors party thereto from time to time and the Trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

(the "Owner") owns and proposes to exchange the Note[s] or interest in such Note[s] specified herein, in the principal amount of $ in such Note[s] or interests (the "Exchange"). In connection with the Exchange, the Owner hereby certifies that:

1) EXCHANGE OF RESTRICTED DEFINITIVE NOTES OR BENEFICIAL INTERESTS IN A RESTRICTED GLOBAL NOTE FOR UNRESTRICTED DEFINITIVE NOTES OR BENEFICIAL INTERESTS IN AN UNRESTRICTED GLOBAL NOTE OF THE SAME SERIES

a) [ ] CHECK IF EXCHANGE IS FROM BENEFICIAL INTEREST IN A RESTRICTED GLOBAL NOTE TO BENEFICIAL INTEREST IN AN UNRESTRICTED GLOBAL NOTE OF THE SAME SERIES. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for a beneficial interest in an Unrestricted Global Note of the same series in an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Global Notes and pursuant to and in accordance with the United States Securities Act of 1933, as amended (the "Securities Act"), (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the beneficial interest in an Unrestricted Global Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

b) [ ] CHECK IF EXCHANGE IS FROM BENEFICIAL INTEREST IN A RESTRICTED GLOBAL NOTE TO UNRESTRICTED DEFINITIVE NOTE OF THE SAME SERIES. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for an Unrestricted Definitive Note of the same series, the Owner hereby certifies (i) the Definitive Note is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the Definitive Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

c) [ ] CHECK IF EXCHANGE IS FROM RESTRICTED DEFINITIVE NOTE TO BENEFICIAL INTEREST IN AN UNRESTRICTED GLOBAL NOTE OF THE SAME SERIES. In connection with the Owner's Exchange of a Restricted Definitive Note for a beneficial interest in an Unrestricted Global Note of the same series, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Definitive Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the beneficial interest is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

d) [ ] CHECK IF EXCHANGE IS FROM RESTRICTED DEFINITIVE NOTE TO UNRESTRICTED DEFINITIVE NOTE OF THE SAME SERIES. In connection with the Owner's Exchange of a Restricted Definitive Note for an Unrestricted Definitive Note of the same series, the Owner hereby certifies (i) the Unrestricted Definitive Note is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Definitive Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the Unrestricted Definitive Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

2) EXCHANGE OF RESTRICTED DEFINITIVE NOTES OR BENEFICIAL INTERESTS IN RESTRICTED GLOBAL NOTES FOR RESTRICTED DEFINITIVE NOTES OF THE SAME SERIES OR BENEFICIAL INTERESTS IN RESTRICTED GLOBAL NOTES OF THE SAME SERIES

a) [ ] CHECK IF EXCHANGE IS FROM BENEFICIAL INTEREST IN A RESTRICTED GLOBAL NOTE TO RESTRICTED DEFINITIVE NOTE OF THE SAME SERIES. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for a Restricted Definitive Note of the same series with an equal principal amount, the Owner hereby certifies that the Restricted Definitive Note is being acquired for the Owner's own account without transfer. Upon consummation of the proposed Exchange in accordance with the terms of the Indenture, the Restricted Definitive Note issued will continue to be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Definitive Note and in the Indenture and the Securities Act.

b) [ ] CHECK IF EXCHANGE IS FROM RESTRICTED DEFINITIVE NOTE TO BENEFICIAL INTEREST IN A RESTRICTED GLOBAL NOTE OF THE SAME SERIES. In connection with the Exchange of the Owner's Restricted Definitive Note for a beneficial interest in the [CHECK ONE]:

[ ] 144A Global Note,

[ ] Regulation S Global Note or

[ ] IAI Global Note,

in each case of the same series, with an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer and (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Notes and pursuant to and in accordance with the Securities Act, and in compliance with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed Exchange in accordance with the terms of the Indenture, the beneficial interest issued will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the relevant Restricted Global Note and in the Indenture and the Securities Act.

This certificate and the statements contained herein are made for your benefit and the benefit of the Issuer and are dated

[Insert Name of Transferor]

By: _____
Name:
Title:

FORM OF SUPPLEMENTAL INDENTURE
TO BE DELIVERED BY SUBSEQUENT GUARANTORS

Supplemental Indenture (this "Supplemental Indenture"), dated as of [ ], among [ ] (the "Guaranteeing Subsidiary"), a subsidiary of Life Time, Inc. a Minnesota corporation (the "Company"), and Wilmington Savings Fund Society, FSB, a federal savings bank, as trustee (in such capacity, the "Trustee").

W I T N E S S E T H

WHEREAS, Life Time, Inc. ("Life Time") has heretofore executed and delivered to the Trustee an Indenture (the "Indenture"), dated as of February 5, 2021, providing for the issuance of an unlimited aggregate principal amount of 8.000% Senior Notes due 2026 (the "Notes");

WHEREAS, the Indenture provides that under certain circumstances the Guaranteeing Subsidiary shall execute and deliver to the Trustee a supplemental indenture pursuant to which the Guaranteeing Subsidiary shall unconditionally guarantee all of the Issuer's Obligations under the Notes and the Indenture on the terms and conditions set forth herein and under the Indenture (the "Guarantee"); and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee is authorized to execute and deliver this Supplemental Indenture.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties mutually covenant and agree for the equal and ratable benefit of the Holders as follows:

(1) Capitalized Terms. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

(2) Agreement to Guarantee. The Guaranteeing Subsidiary hereby agrees to provide an unconditional Guarantee on the terms and subject to the conditions set forth in the Indenture including, but not limited to, Article XI thereof.

(3) No Recourse Against Others. No past, present or future director, officer, employee, incorporator, member, partner or stockholder of the Issuer or any Guarantor or any Parent Company or their subsidiaries (other than the Issuer and the Guarantors) shall have any liability for any obligations of the Issuer or the Guarantors under the Notes, the Guarantees, the Indenture or this Supplemental Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting Notes waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

(4) Governing Law. THIS SUPPLEMENTAL INDENTURE WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

(5) Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. This Supplemental Indenture may be executed in multiple counterparts, which, when taken together, shall constitute one instrument. The exchange of copies of this Supplemental Indenture and of signature pages by facsimile or PDF transmissions shall constitute effective execution and delivery of this Supplemental Indenture as to the parties hereto and may be used in lieu of the original Supplemental Indenture for all purposes. Signatures of the parties hereto transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes.

(6) Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

(7) The Trustee. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Guaranteeing Subsidiary.

(8) Successors. All agreements of the Guaranteeing Subsidiary in this Supplemental Indenture shall bind its Successors, except as otherwise provided in this Supplemental Indenture. All agreements of the Trustee in this Supplemental Indenture shall bind its successors.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed, all as of the date first above written.

[GUARANTEEING SUBSIDIARY]

By: _____
Name:
Title:

WILMINGTON SAVINGS FUND SOCIETY, FSB, as Trustee

By: _____
Name:
Title:

FORM OF
TRANSFEREE LETTER OF REPRESENTATION

Life Time, Inc.
2902 Corporate Place
Chanhassen, Minnesota 55317
Attention: Thomas Bergmann / Chief Financial Officer
Email: tbergmann@lt.life
Facsimile: (952) 947-0099

Wilmington Savings Fund Society, FSB,
as Trustee and Registrar
500 Delaware Avenue, 11th Floor
Wilmington, DE 19808
Attention: Corporate Trust – Life Time, Inc.
Fax No.: (302) 421-9137

Ladies and Gentlemen:

This certificate is delivered to request a transfer of $[ ] principal amount of the 8.000% Senior Notes due 2026 (the "Notes") of Life Time, Inc. (the "Issuer").

Upon transfer, the Notes would be registered in the name of the new beneficial owner as follows:

Name: _____

Address: _____

Taxpayer ID Number: _____

The undersigned represents and warrants to you that:

1. We are an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act of 1933, as amended (the "Securities Act")), purchasing for our own account or for the account of such an institutional "accredited investor" at least $250,000 principal amount of the Notes, and we are acquiring the Notes, for investment purposes and not with a view to, or for offer or sale in connection with, any distribution in violation of the Securities Act. We have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of our investment in the Notes, and we invest in or purchase securities similar to the Notes in the normal course of our business. We, and any accounts for which we are acting, are each able to bear the economic risk of our or its investment.

2. We understand that the Notes have not been registered under the Securities Act and, unless so registered, may not be sold except as permitted in the following sentence. We agree on our own behalf and on behalf of any investor account for which we are purchasing Notes to offer, sell or otherwise transfer such Notes prior to the date that is one year after the later of the date of original issue and the last date on which the Issuer or any affiliate of the Issuer was the owner of such Notes (or any predecessor thereto) (the "Resale Restriction Termination Date") only (a) to the Issuer or any Subsidiary thereof, (b) pursuant to a registration statement that has been declared effective under the Securities Act, (c) in a transaction complying with the requirements of Rule 144A under the Securities Act ("Rule 144A"), to a person we reasonably believe is a qualified institutional buyer under Rule 144A (a "QIB") that is purchasing for its own account or for the account of a QIB and to whom notice is given that the transfer is being made in reliance on Rule 144A, (d) pursuant to offers and sales to non-U.S. persons that occur outside the United States of America within the meaning of Regulation S under the Securities Act, (e) to an institutional "accredited investor" within the meaning of Rule 501(a)(1), (2), (3) or (7) under the Securities Act that is purchasing for its own account or for the account of such an institutional "accredited investor," in each case in a minimum principal amount of Notes of $250,000, for investment purposes and not with a view to, or for offer or sale in connection with, any distribution in violation of the Securities Act or (f) pursuant to any other available exemption from the registration requirements of the Securities Act, subject in each of the foregoing cases to any requirement of law that the disposition of our property or the property of such investor account or accounts be at all times within our or their control and in compliance with any applicable state securities laws. The foregoing restrictions on resale will not apply subsequent to the Resale Restriction Termination Date. If any resale or other transfer of the Notes is proposed to be made pursuant to clause (e) above prior to the Resale Restriction Termination Date, the transferor shall deliver a letter from the transferee substantially in the form of this letter to the Issuer and the Trustee, which shall provide, among other things, that the transferee is an institutional "accredited investor" within the meaning of Rule 501(a)(1), (2), (3) or (7) under the Securities Act and that it is acquiring such Notes for investment purposes and not for distribution in violation of the Securities Act. Each purchaser acknowledges that the Issuer and the Trustee reserve the right prior to the offer, sale or other transfer prior to the Resale Restriction Termination Date of the Notes pursuant to clause (d), (e) or (f) above to require the delivery of an opinion of counsel, certifications or other information satisfactory to the Issuer and the Trustee.

TRANSFEREE: _____

By: _____

Exhibit 10.1

Execution Version

Published CUSIP Numbers:
DEAL CUSIP: 50218KAA6
REVOLVER CUSIP: 50218KAC2
TERM FACILITY CUSIP: 50218KAB4

$1,500,000,000
CREDIT AGREEMENT

Dated as of June 10, 2015

among

LTF INTERMEDIATE HOLDINGS, INC.,
as Holdings,

LTF MERGER SUB, INC.,
as Initial Borrower,

U.S. BANK NATIONAL ASSOCIATION
as Issuing Bank and Swing Line Lender,

DEUTSCHE BANK AG NEW YORK BRANCH,
as Administrative Agent and Collateral Agent,

and

THE OTHER LENDERS PARTY HERETO

DEUTSCHE BANK SECURITIES INC.,
GOLDMAN SACHS BANK USA,
JEFFERIES FINANCE LLC,
BMO CAPITAL MARKETS CORP.,
RBC CAPITAL MARKETS,
MACQUARIE CAPITAL (USA) INC.,
NOMURA SECURITIES INTERNATIONAL, INC.
and

MIZUHO BANK, LTD.,
as Joint Lead Arrangers and Joint Lead Bookrunners

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ARTICLE X

Miscellaneous

SCHEDULES

EXHIBITS

Form of

CREDIT AGREEMENT

This CREDIT AGREEMENT (this "**Agreement**") is entered into as of June 10, 2015, by and among LTF INTERMEDIATE HOLDINGS, INC., a Delaware corporation ("**Holdings**"), LTF MERGER SUB, INC., a Minnesota corporation and direct subsidiary of Holdings ("**Merger Sub**" or "**Initial Borrower**"), U.S. BANK NATIONAL ASSOCIATION ("**US Bank**"), as Issuing Bank and Swing Line Lender, DEUTSCHE BANK AG NEW YORK BRANCH ("**DBNY**"), as administrative agent (in such capacity, including any successor thereto, the "**Administrative Agent**") and as collateral agent (in such capacity, including any successor thereto, the "**Collateral Agent**") under the Loan Documents, and each lender from time to time party hereto (collectively, the "**Lenders**" and individually, a "**Lender**").

PRELIMINARY STATEMENTS

Pursuant to the Transaction Agreement (as defined in Section 1.01 below), Merger Sub will merge (the "**Merger**") with and into Life Time Fitness, Inc., a Minnesota corporation (the "**Acquired Company**"), which will survive the Merger and succeed to all the rights and obligations of the Initial Borrower under this Agreement and the other Loan Documents (such successor, or "**Life Time**").

In connection therewith, the Borrower has requested that (a) substantially simultaneously with the consummation of the Merger, the Lenders extend credit to the Borrower in the form of $1,250.0 million of Closing Date Term Loans and $250.0 million of Revolving Commitments on the Closing Date as secured credit facilities and (b) from time to time on and after the Closing Date, the Lenders lend to the Borrower and the Issuing Banks issue Letters of Credit for the account of the Borrower, each to provide working capital for, and for other general corporate purposes of, the Borrower and its Restricted Subsidiaries, pursuant to the Revolving Commitments hereunder and pursuant to the terms of, and subject to the conditions set forth in, this Agreement.

On the Closing Date, the Borrower will enter into the Senior Notes Indenture pursuant to which the Borrower shall issue the Senior Notes in an aggregate principal amount of up to $450.0 million.

The proceeds of the Closing Date Term Loans and the Closing Date Revolving Borrowings, together with the proceeds of the Senior Notes and the Equity Contribution, will be used on the Closing Date (i) to repay Indebtedness incurred under the Existing Credit Agreement and certain other Indebtedness and (ii) to pay (A) any original issue discount or upfront fees resulting from the exercise of any "market flex" pursuant to the Fee Letter in connection with the Transactions, (B) the Transaction Consideration, (C) the Transaction Expenses and (D) amounts required for working capital.

The applicable Lenders have indicated their willingness to lend, and the applicable Issuing Banks have indicated their willingness to issue Letters of Credit, in each case on the terms and subject to the conditions set forth herein.

In consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows:

ARTICLE I

Definitions and Accounting Terms

SECTION 1.01 Defined Terms. As used in this Agreement, the following terms have the meanings set forth below:

"**Acceptable Discount**" has the meaning specified in Section 2.05(1)(e)(D)(2).

"**Acceptable Prepayment Amount**" has the meaning specified in Section 2.05(1)(e)(D)(3).

"**Acceptance and Prepayment Notice**" means a notice of the Borrower's acceptance of the Acceptable Discount in substantially the form of Exhibit M.

"**Acceptance Date**" has the meaning specified in Section 2.05(1)(e)(D)(2).

"**Acquired Company**" has the meaning specified in the preliminary statements of this Agreement.

"**Acquired Indebtedness**" means, with respect to any specified Person,

(1) Indebtedness of any other Person existing at the time such other Person is merged, consolidated or amalgamated with or into or became a Restricted Subsidiary of such specified Person, including Indebtedness incurred in connection with, or in contemplation of, such other Person merging, amalgamating or consolidating with or into, or becoming a Restricted Subsidiary of, such specified Person, and

(2) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

"**Additional Lender**" means, at any time, any bank, other financial institution or institutional lender or investor that, in any case, is not an existing Lender and that agrees to provide any portion of any (a) Incremental Loan in accordance with Section 2.14, (b) Loans pursuant to a Refinancing Amendment in accordance with Section 2.15 or (c) Replacement Loans pursuant to Section 10.01; *provided* that each Additional Lender (other than any Person that is a Lender, an Affiliate of a Lender or an Approved Fund of a Lender at such time) shall be subject to the approval of the Administrative Agent, the Swing Line Lender or the Issuing Bank(s) (such approval not to be unreasonably withheld, conditioned or delayed), in each case solely to the extent that any such consent would be required from the Administrative Agent, the Swing Line Lender or the Issuing (s) under Section 10.07(b)(iii) for an assignment of Loans to such Additional Lender.

"**Adjusted EBITDA**" means, with respect to any Person for any period, the Consolidated Net Income of such Person and its Restricted Subsidiaries for such period:

(1) increased (without duplication) by the following, in each case (other than clauses (h), (l) and (m)) to the extent deducted (and not added back) in determining Consolidated Net Income for such period:

(a) total interest expense and, to the extent not reflected in such total interest expense, any losses on Hedging Obligations or other derivative instruments entered into for the purpose of hedging interest rate risk, net of interest income and gains on such Hedging Obligations or such derivative instruments, and bank and letter of credit fees and costs of surety bonds in connection with financing activities, together with items excluded from the definition of "Consolidated Interest Expense" pursuant to the definition thereof; *plus*

(b) provision for taxes based on income, profits, revenue or capital, including federal, foreign and state income, franchise, excise, value added and similar taxes, property taxes and similar taxes, and foreign withholding taxes paid or accrued during such period (including any future taxes or other levies that replace or are intended to be in lieu of taxes, and any penalties and interest related to taxes or arising from tax examinations), and any payments to a Parent Company in respect of such taxes permitted to be made hereunder; *plus*

(c) Consolidated Depreciation and Amortization Expense for such period; *plus*

(d) any other non-cash charges, including any write-offs or write-downs reducing Consolidated Net Income for such period (*provided* that if any such non-cash charges represent an accrual or reserve for potential cash items in any future period, (i) the Borrower may determine not to add back such non-cash charge in the current period and (ii) to the extent the Borrower does decide to add back such

non-cash charge, the cash payment in respect thereof in such future period shall be subtracted from Adjusted EBITDA to such extent, and excluding amortization of a prepaid cash item that was paid in a prior period); *plus*

(e) minority interest expense, the amount of any non-controlling interest consisting of income attributable to non-controlling interests of third parties in any non-wholly-owned Subsidiary deducted (and not added back) in such period to Consolidated Net Income, excluding cash distributions in respect thereof, and the amount of any reductions in arriving at Consolidated Net Income resulting from the application of Accounting Standards Codification Topic No. 810, *Consolidation*; *plus*

(f) (i) the amount of management, monitoring, consulting, transaction, advisory and other fees (including termination fees) and indemnities and expenses paid or accrued in such period under the Management Services Agreement or otherwise to the extent otherwise permitted under Section 7.07 and (ii) the amount of payments made to option holders of such Person or any Parent Company in connection with, or as a result of, any distribution being made to shareholders of such Person or its Parent Companies, which payments are being made to compensate such option holders as though they were shareholders at the time of, and entitled to share in, such distribution, in each case to the extent permitted hereunder; *plus*

(g) the amount of loss or discount on sale of receivables, Securitization Assets and related assets to any Securitization Subsidiary in connection with a Qualified Securitization Facility; *plus*

(h) cash receipts (or any netting arrangements resulting in reduced cash expenditures) not representing Adjusted EBITDA or Consolidated Net Income in any period to the extent non-cash gains relating to such income were deducted in the calculation of Adjusted EBITDA pursuant to clause (2) below for any previous period and not added back; *plus*

(i) any costs or expenses incurred pursuant to any management equity plan, stock option plan or any other management or employee benefit plan, agreement or any stock subscription or shareholder agreement, to the extent that such costs or expenses are funded with cash proceeds contributed to the capital of such Person or net cash proceeds of an issuance of Equity Interest of such Person (other than Disqualified Stock); *plus*

(j) any net pension or other post-employment benefit costs representing amortization of unrecognized prior service costs, actuarial losses, including amortization of such amounts arising in prior periods, amortization of the unrecognized net obligation (and loss or cost) existing at the date of initial application of *FASB Accounting Standards Codification Topic 715—Compensation—Retirement Benefits*, and any other items of a similar nature, *plus*

(k) any net loss from operations expected to be disposed of, abandoned or discontinued within twelve months after the end of such period; *plus*

(l) the amount of "run rate" net cost savings, synergies and operating expense reductions (other than any of the foregoing related to Specified Transactions) projected by the Borrower in good faith to result from actions taken, committed to be taken or that are expected in good faith to be taken no later than twenty-four (24) months after the end of such period (calculated on a *pro forma* basis as though such cost savings, operating expense reductions and synergies had been realized on the first day of the period for which Adjusted EBITDA is being determined and if such cost savings, operating expense reductions and synergies were realized during the entirety of such period), net of the amount of actual benefits realized during such period from such actions; *provided* that such cost savings, operating expense reductions and synergies are reasonably identifiable and factually supportable (it is understood and agreed that "run-rate" means the full recurring benefit for a period that is associated with any action taken, committed to be taken or with respect to which substantial steps have been taken or are expected to be taken); *plus*

(m) any payments in the nature of compensation or expense reimbursement made to independent board members; and

(2) decreased (without duplication) by the following, in each case to the extent included in determining Consolidated Net Income for such period:

(a) non-cash gains for such period (excluding any non-cash gain to the extent it represents the reversal of an accrual or reserve for a potential cash item that reduced Consolidated Net Income or Adjusted EBITDA in any prior period other than any such accrual or reserve that has been added back to Consolidated Net Income in calculating Adjusted EBITDA in accordance with this definition), and

(b) the amount of any non-controlling interest consisting of loss attributable to non-controlling interests of third parties in any non-wholly owned subsidiary added (and not deducted in such period from Consolidated Net Income).

Adjusted EBITDA of Life Time and its Restricted Subsidiaries will be deemed to equal (i) $ 83,468,529 million for the fiscal quarter ended June 30, 2014, (ii) $ 96,581,935 million for the fiscal quarter ended September 30, 2014, (iii) $ 82,716,656 million for the fiscal quarter ended December 31, 2014 and (iv) $83,449,230 million for the fiscal quarter ended March 31, 2015, in each case and, without duplication, adjusted to reflect any *pro forma* adjustments with respect to any relevant Specified Transaction as are appropriate and consistent with the *pro forma* adjustment provisions set forth in Section 1.07, in each case, occurring or identified after the Closing Date and not otherwise included in the calculation of the foregoing amounts.

"**Administrative Agent**" has the meaning specified in the introductory paragraph to this Agreement.

"**Administrative Agent's Office**" means the Administrative Agent's address and, as appropriate, account as set forth on Schedule 10.02, or such other address or account as the Administrative Agent may from time to time notify the Borrower and the Lenders.

"**Administrative Questionnaire**" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

"**Affiliate**" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "*control*" (including, with correlative meanings, the terms "*controlling*," "*controlled by*" and "*under common control with*"), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise.

"**Affiliate Transaction**" has the meaning specified in Section 7.07.

"**Affiliated Lender**" means, at any time, any Lender that is an Investor or an Affiliate of an Investor (including Co-Investors and their Affiliates and other Affiliates of the Borrower) (other than (a) Holdings, the Borrower or any Subsidiary, (b) any Debt Fund Affiliate or (c) any natural person) at such time.

"**Affiliated Lender Assignment and Assumption**" has the meaning specified in Section 10.07(h)(v).

"**Affiliated Lender Cap**" has the meaning specified in Section 10.07(h)(iv).

"**Agent Parties**" has the meaning specified in Section 10.02(4).

"**Agent-Related Persons**" means the Agents, together with their respective Affiliates, and the officers, directors, employees, agents, attorney-in-fact, partners, trustees and advisors of such Persons and of such Persons' Affiliates.

"**Agents**" means, collectively, the Administrative Agent, the Collateral Agent and the Supplemental Administrative Agents (if any).

"**Aggregate Commitments**" means the Commitments of all the Lenders.

"**Agreement**" means this Credit Agreement, as amended, restated, amended and restated, modified or supplemented from time to time in accordance with the terms hereof.

"**Agreement Currency**" has the meaning specified in Section 10.26.

"**AHYDO Payment**" means any mandatory prepayment or redemption pursuant to the terms of any Indebtedness that is intended or designed to cause such Indebtedness not to be treated as an "applicable high yield discount obligation" within the meaning of Code Section 163(i).

"**All-In Yield**" means, as to any Indebtedness, the yield thereof, whether in the form of interest rate, margin, OID, upfront fees, a Eurodollar Rate floor or Base Rate floor (with such increased amount being determined in the manner described in the final proviso of this definition), or otherwise, in each case, incurred or payable by the Borrower generally to all lenders of such Indebtedness; *provided* that OID and upfront fees shall be equated to an interest rate assuming a 4-year life to maturity (or, if less, the stated life to maturity at the time of incurrence of the applicable Indebtedness)*provided further* that "All-In Yield" shall not include arrangement fees, structuring fees, commitment fees, underwriting fees, ticking fees or other fees similar to the foregoing (regardless of how such fees are computed and whether paid in whole or in part to any or all lenders) or other fees not generally paid to all lenders of such Indebtedness or, if applicable, consent fees for an amendment paid generally to consenting lenders; *provided further* that with respect to any Loans of an applicable Class that includes a Eurodollar Rate floor or Base Rate floor (1) to the extent that the Reference Rate on the date that the All-In Yield is being calculated is less than such floor, the amount of such floor shall be deemed added to the Applicable Rate for such Loans of such Class for the purpose of calculating the All-In Yield and (2) to the extent that the Reference Rate on the date that the All-In Yield is being calculated is greater than such floor, then the floor shall be disregarded in calculating the All-In Yield. As of the Closing Date, the All-In Yield with respect to the Closing Date Term Loans was 437.5 basis points.

"**Alternative Currency**" means Canadian Dollars.

"**Annual Financial Statements**" means the audited consolidated balance sheets of the Acquired Company as of the fiscal years ended December 31, 2014, December 31, 2013 and December 31, 2012, and the related consolidated statements of operations, changes in stockholders' equity and cash flows for the Acquired Company for the fiscal years then ended.

"**Applicable Discount**" has the meaning specified in Section 2.05(1)(e)(C)(2).

"**Applicable Rate**" means a percentage per annum equal to:

(a) with respect to Closing Date Term Loans, (i) 3.25% for Eurodollar Rate Loans and (ii) 4.25% for Base Rate Loans.

(b) with respect to Revolving Loans and unused Revolving Commitments under the Closing Date Revolving Facility and Letter of Credit fees (i) until delivery of financial statements for the first full fiscal quarter ending after the Closing Date pursuant to Section 6.01, (A) 3.25% for Eurodollar Rate Loans, CDOR Loans and Letter of Credit fees, (B) 4.25% for Base Rate Loans and (C) 0.500% Commitment Fee Rate for unused Revolving Commitments and (ii) thereafter, the following percentages

per annum, based upon the First Lien Net Leverage Ratio as specified in the most recent Compliance Certificate received by the Administrative Agent pursuant to Section 6.02(1):

Pricing Level	First Lien Net Leverage Ratio	Eurodollar Rate, CDOR Rate and Letter of Credit Fees	Base Rate	Commitment Fee Rate
1	> 3.50 to 1.00	3.25%	4.25%	0.500%
2	£ 3.50 to 1.00	3.00%	4.00%	0.375%

Any increase or decrease in the Applicable Rate resulting from a change in the First Lien Net Leverage Ratio shall become effective as of the first Business Day immediately following the date a Compliance Certificate is delivered pursuant to Section 6.02(1); *provided* that "Pricing Level 1" (as set forth above) shall apply as of (x) the first Business Day after the date on which a Compliance Certificate was required to have been delivered but was not delivered, and shall continue to so apply to and including the date on which such Compliance Certificate is so delivered (and thereafter the pricing level otherwise determined in accordance with this definition shall apply) and (y) at the option of the Administrative Agent or the Required Revolving Lenders under the Closing Date Revolving Facility, the first Business Day after an Event of Default under Section 8.01(1) shall have occurred and be continuing, and shall continue to so apply to but excluding the date on which such Event of Default is cured or waived (and thereafter the pricing level otherwise determined in accordance with this definition shall apply). Notwithstanding anything to the contrary set forth herein, the provisions of this clause (b) may be amended or waived with the consent of only the Borrower and the Required Revolving Lenders.

(c) with respect to any Term Loans (other than Closing Date Term Loans), as specified in the applicable Incremental Amendment, Extension Amendment or Refinancing Amendment.

"**Appropriate Lender**" means, at any time, (a) with respect to Loans of any Class, the Lenders of such Class and (b) with respect to Letters of Credit, (i) the relevant Issuing Banks and (ii) the relevant Revolving Lenders.

"**Approved Fund**" means, with respect to any Lender, any Fund that is administered, advised or managed by (a) such Lender, (b) an Affiliate of such Lender or (c) an entity or an Affiliate of an entity that administers, advises or manages such Lender.

"**Arrangers**" means DBSI, Goldman Sachs, Jefferies, BMOC, RBC, Macquarie Capital, Nomura and Mizuho, each in its capacity as a joint lead arranger under this Agreement.

"**Asset Sale**" means:

(1) the sale, conveyance, transfer or other disposition, whether in a single transaction or a series of related transactions of property or assets of the Borrower or any Restricted Subsidiary (each referred to in this definition as a "**disposition**"); or

(2) the issuance or sale of Equity Interests (other than Preferred Stock or Disqualified Stock of Restricted Subsidiaries issued in compliance with Section 7.02 and directors' qualifying shares or shares or interests required to be held by foreign nationals or other third parties to the extent required by applicable law) of any Restricted Subsidiary (other than to the Borrower or another Restricted Subsidiary), whether in a single transaction or a series of related transactions;

in each case, other than:

(a) any disposition of:

(i) Cash Equivalents or Investment Grade Securities,

(ii) obsolete, damaged or worn out property or assets in the ordinary course of business or consistent with industry practice or any disposition of inventory or goods (or other assets) held for sale or no longer used or useful in the ordinary course,

(iii) assets no longer economically practicable or commercially reasonable to maintain (as determined in good faith by the management of the Borrower),

(iv) improvements made to leased real property to landlords pursuant to customary terms of leases entered into in the ordinary course of business and

(v) assets for purposes of charitable contributions or similar gifts to the extent such assets are not material to the ability of the Borrower and its Restricted Subsidiaries, taken as a whole, to conduct its business in the ordinary course;

(b) the disposition of all or substantially all of the assets of the Borrower in a manner permitted pursuant to Section 7.03;

(c) any disposition in connection with the making of any Restricted Payment that is permitted to be made, and is made, under Section 7.04, any Permitted Investment or any acquisition otherwise permitted under this Agreement;

(d) any disposition of property or assets or issuance or sale of Equity Interests of any Restricted Subsidiary with an aggregate fair market value of less than (i) $5.0 million for any individual transaction or series of related transactions and (ii) $10.0 million for all such transactions in any fiscal year;

(e) any disposition of property or assets or issuance of securities by a Restricted Subsidiary to the Borrower or by the Borrower or a Restricted Subsidiary to a Restricted Subsidiary to the extent otherwise permitted hereunder;

(f) to the extent allowable under Section 1031 of the Code, any exchange of like property (excluding any boot thereon) for use in a Similar Business;

(g) (i) the lease, assignment or sublease, license or sublicense of any real or personal property in the ordinary course of business or consistent with industry practice and (ii) the exercise of termination rights with respect to any lease, sublease, license or sublicense or other agreement;

(h) any issuance, disposition or sale of Equity Interests in, or Indebtedness, assets or other securities of, an Unrestricted Subsidiary;

(i) foreclosures, condemnation, expropriation, eminent domain or any similar action (including for the avoidance of doubt, any Casualty Event) with respect to assets or the granting of Liens not prohibited hereunder;

(j) sales of accounts receivable, or participations therein, or Securitization Assets or related assets in connection with any Qualified Securitization Facility or the disposition of an account receivable in connection with the collection or compromise thereof in the ordinary course of business or consistent with industry practice or in bankruptcy or similar proceedings;

(k) any financing transaction with respect to property built or acquired by the Borrower or any Restricted Subsidiary after the Closing Date, including asset securitizations permitted hereunder;

(l) the sale, lease, assignment, license, sublease or discount of inventory, equipment, accounts receivable, notes receivable or other current assets in the ordinary course of business or consistent with industry practice or the conversion of accounts receivable to notes receivable or other dispositions of accounts receivable in connection with the collection thereof;

(m) the licensing or sublicensing of intellectual property or other general intangibles in the ordinary course of business or consistent with industry practice;

(n) any surrender or waiver of contract rights or the settlement, release or surrender of contract rights or other litigation claims in the ordinary course of business or consistent with industry practice;

(o) the unwinding of any Hedging Obligations;

(p) sales, transfers and other dispositions of Investments in joint ventures to the extent required by, or made pursuant to, customary buy/sell arrangements between the joint venture parties set forth in joint venture arrangements and similar binding arrangements;

(q) the lapse or abandonment of intellectual property rights in the ordinary course of business or consistent with industry practice, which in the reasonable good faith determination of the Borrower, are not material to the conduct of the business of the Borrower and its Restricted Subsidiaries taken as a whole;

(r) the granting of a Lien that is permitted under Section 7.01;

(s) the issuance of directors' qualifying shares and shares of Capital Stock of Foreign Subsidiaries issued to foreign nationals as required by applicable law;

(t) the disposition of any assets (including Equity Interests) (i) acquired in a transaction permitted hereunder, which assets are not used or useful in the principal business of the Borrower and its Restricted Subsidiaries or (ii) made in connection with the approval of any applicable antitrust authority or otherwise necessary or advisable in the good faith determination of the Borrower to consummate any acquisition permitted hereunder;

(u) dispositions of property to the extent that such property is exchanged for credit against the purchase price of similar replacement property;

(v) in connection with any Sale-Leaseback Transaction;

(w) the settlement or early termination of any Permitted Bond Hedge Transaction and the settlement or early termination of any related Permitted Warrant Transaction; and

(x) the sales of property or assets for an aggregate fair market value since the date of this Agreement not to exceed $75.0 million.

"**Assignee Group**" means two or more Eligible Assignees that are Affiliates of one another or two or more Approved Funds managed by the same investment advisor.

"**Assignment and Assumption**" means an Assignment and Assumption substantially in the form ofExhibit D-1 or any other form approved by the Administrative Agent.

"**Assumption**" has the meaning specified in Section 10.25.

"**Attorney Costs**" means all reasonable fees, expenses and disbursements of any law firm or other external legal counsel, to the extent documented in reasonable detail and invoiced.

"**Attributable Indebtedness**" means, on any date, in respect of any Capitalized Lease Obligation of any Person, the amount thereof that would appear as a liability on a balance sheet of such Person prepared as of such date in accordance with GAAP.

"**Auction Agent**" means (a) the Administrative Agent or (b) any other financial institution or advisor engaged by the Borrower (whether or not an Affiliate of the Administrative Agent) to act as an arranger in connection with any Discounted Term Loan Prepayment pursuant to Section 2.05(1)(e); *provided* that the Borrower shall not designate the Administrative Agent as the Auction Agent without the written consent of the Administrative Agent (it being understood that the Administrative Agent shall be under no obligation to agree to act as the Auction Agent); *provided further* that neither the Borrower nor any of its Affiliates may act as the Auction Agent.

"**Auto-Extension Letter of Credit**" has the meaning specified in Section 2.03(2)(c).

"**Available Currency**" means Dollars and Canadian Dollars.

"**Average Return on Invested Capital**" means 16.4%.

"**Bankruptcy Code**" has the meaning specified in Section 8.02.

"**Base Rate**" means for any day a fluctuating rate per annum equal to the highest of (a) the Federal Funds Rate*plus* 1/2 of 1%, (b) the rate of interest in effect for such day as publicly announced from time to time by the Administrative Agent as its "prime rate" and (c) the Eurodollar Rate on such day for an Interest Period of one (1) month *plus* 1.00% (or, if such day is not a Business Day, the immediately preceding Business Day). The "prime rate" is a rate set by the Administrative Agent based upon various factors including the Administrative Agent's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above or below such announced rate. Any change in such rate announced by the Administrative Agent shall take effect at the opening of business on the day specified in the public announcement of such change.

"**Base Rate Loan**" means a Loan that bears interest based on the Base Rate. Base Rate Loans will be denominated in Dollars.

"**Basket**" means any amount, threshold or other value permitted or prescribed with respect to any Lien, Indebtedness, Asset Sale, Investment, Restricted Payment, transaction value, judgment or other amount under any provision in Articles V, VI, VII or VIII and the definitions related thereto.

"**BMO**" means, collectively, Bank of Montreal and BMOC.

"**BMOC**" means BMO Capital Markets Corp.

"**Board of Directors**" means, for any Person, the board of directors or other governing body of such Person or, if such Person does not have such a board of directors or other governing body and is owned or managed by a single entity, the Board of Directors of such entity, or, in either case, any committee thereof duly authorized to act on behalf of such Board of Directors. Unless otherwise provided, "Board of Directors" means the Board of Directors of the Borrower.

"**Borrower**" means (a) at any time prior to the consummation of the Merger, the Initial Borrower, (b) upon the consummation of the Merger, Life Time and (c) upon the consummation of any transaction permitted by Section 7.04(d), the Successor Borrower.

"**Borrower Materials**" has the meaning specified in Section 6.02.

"**Borrower Offer of Specified Discount Prepayment**" means any offer by any Borrower Party to make a voluntary prepayment of Loans at a specified discount to par pursuant to Section 2.05(1)(e)(B).

"**Borrower Parties**" means the collective reference to Holdings, the Borrower and each Subsidiary of the Borrower and "**Borrower Party**" means any of them.

"**Borrower Solicitation of Discount Range Prepayment Offers**" means the solicitation by any Borrower Party of offers for, and the corresponding acceptance by a Lender of, a voluntary prepayment of Loans at a specified range of discounts to par pursuant to Section 2.05(1)(e)(C).

"**Borrower Solicitation of Discounted Prepayment Offers**" means the solicitation by any Borrower Party of offers for, and the subsequent acceptance, if any, by a Lender of, a voluntary prepayment of Loans at a discount to par pursuant to Section 2.05(1)(e)(D).

"**Borrowing**" means a borrowing consisting of Loans of the same Class and Type made, converted or continued on the same date and, in the case of Eurodollar Rate Loans or CDOR Loans, having the same Interest Period.

"**Broker-Dealer Regulated Subsidiary**" means any Subsidiary of the Borrower that is registered as a broker-dealer under the Exchange Act or any other applicable Laws requiring such registration.

"**Business Day**" means any day that is not a Legal Holiday and, with respect to any interest rate settings as to a Eurodollar Rate Loan, any fundings, disbursements, settlements and payments in respect of any such Eurodollar Rate Loan, or any other dealings to be carried out pursuant to this Agreement in respect of any such Eurodollar Rate Loan, any day on which dealings in deposits in Dollars or an Alternative Currency (as applicable) are conducted by and between banks in the London interbank eurodollar market.

"**Canadian Base Rate**" means, for any day, a rate per annum equal to the sum of (i) the CDOR Rate for a one month interest period beginning on such date and (ii) 100 basis points. Any change in the Canadian Base Rate due to a change in the CDOR Rate shall be effective from and including the effective date of such change in the CDOR Rate, respectively.

"**Canadian Dollars**" means the lawful currency of Canada.

"**Capital Expenditures**" means, for any period, the aggregate of all expenditures (whether paid in cash or accrued as liabilities and including in all events all amounts expended or capitalized under Capitalized Lease Obligations) by the Borrower and the Restricted Subsidiaries during such period that, in conformity with GAAP, are or are required to be included as capital expenditures on the consolidated statement of cash flows of the Borrower and the Restricted Subsidiaries.

"**Capital Stock**" means:

(1) in the case of a corporation, corporate stock or shares in the capital of such corporation;

(2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(3) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited); and

(4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person, but excluding from all of the foregoing any debt securities convertible into or exchangeable for Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

"**Capitalized Lease Obligation**" means, at the time any determination thereof is to be made, the amount of the liability in respect of a capital lease that would at such time be required to be capitalized and reflected as a liability on a balance sheet (excluding the footnotes thereto) prepared in accordance with GAAP as in effect on the Closing Date.

"**Capitalized Software Expenditures**" means, for any period, the aggregate of all expenditures (whether paid in cash or accrued as liabilities) by a Person and its Restricted Subsidiaries during such period in respect of licensed or purchased software or internally developed software and software enhancements that, in conformity with GAAP, are or are required to be reflected as capitalized costs on the consolidated balance sheet of a Person and its Restricted Subsidiaries.

"**Captive Insurance Subsidiary**" means any Subsidiary of the Borrower that is subject to regulation as an insurance company (or any Subsidiary thereof).

"**Cash Collateral**" has the meaning specified in the definition of "Cash Collateralize".

"**Cash Collateral Account**" means an account held at, and subject to the sole dominion and control of, the Collateral Agent.

"**Cash Collateralize**" means, in respect of an Obligation, to provide and pledge cash or Cash Equivalents in Dollars as collateral, at a location and pursuant to documentation in form and substance satisfactory to Administrative Agent or the Issuing Bank with respect to any Letter of Credit, as applicable (and "**Cash Collateralization**" has a corresponding meaning). "**Cash Collateral**" has a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

"**Cash Equivalents**" means:

(1) Dollars;

(2) (a) Euros, Yen, Canadian Dollars, Sterling or any national currency of any Participating Member State of the EMU;

(b) in the case of any Foreign Subsidiary or any jurisdiction in which the Borrower or any Restricted Subsidiary conducts business, such local currencies held by it from time to time in the ordinary course of business or consistent with industry practice;

(3) readily marketable direct obligations issued or directly and fully and unconditionally guaranteed or insured by the U.S. government or any agency or instrumentality thereof the securities of which are unconditionally guaranteed as a full faith and credit obligation of such government with maturities of 36 months or less from the date of acquisition;

(4) certificates of deposit, time deposits and eurodollar time deposits with maturities of three years or less from the date of acquisition, demand deposits, bankers' acceptances with maturities not exceeding three years and overnight bank deposits, in each case with any domestic or foreign commercial bank having capital and surplus of not less than $500.0 million in the case of U.S. banks and $100.0 million (or the U.S. dollar equivalent as of the date of determination) in the case of non-U.S. banks;

(5) repurchase obligations for underlying securities of the types described in clauses (3) and (4) above or clauses (7) and (8) below entered into with any financial institution or recognized securities dealer meeting the qualifications specified in clause (4) above;

(6) commercial paper and variable or fixed rate notes rated at least P-2 by Moody's or at least A-2 by S&P (or, if at any time neither Moody's nor S&P is rating such obligations, an equivalent rating from another Rating Agency) and in each case maturing within 36 months after the date of acquisition thereof;

(7) marketable short-term money market and similar liquid funds having a rating of at least P-2 or A-2 from either Moody's or S&P, respectively (or, if at any time neither Moody's nor S&P is rating such obligations, an equivalent rating from another Rating Agency);

(8) securities issued or directly and fully and unconditionally guaranteed by any state, commonwealth or territory of the United States or any political subdivision or taxing authority of any such state, commonwealth or territory or any public instrumentality thereof having maturities of not more than 36 months from the date of acquisition thereof;

(9) readily marketable direct obligations issued or directly and fully and unconditionally guaranteed by any foreign government or any political subdivision or public instrumentality thereof, in each case having an Investment Grade Rating from either Moody's or S&P (or, if at any time neither Moody's nor S&P is rating such obligations, an equivalent rating from another Rating Agency selected by the Borrower) with maturities of 36 months or less from the date of acquisition;

(10) Indebtedness or Preferred Stock issued by Persons with a rating of "A" or higher from S&P or "A2" or higher from Moody's (or, if at any time neither Moody's nor S&P is rating such obligations, an equivalent rating from another Rating Agency) with maturities of 24 months or less from the date of acquisition;

(11) Investments with average maturities of 36 months or less from the date of acquisition in money market funds rated AAA- (or the equivalent thereof) or better by S&P or Aaa3 (or the equivalent thereof) or better by Moody's (or, if at any time neither Moody's nor S&P is rating such obligations, an equivalent rating from another Rating Agency);

(12) investment funds investing substantially all of their assets in securities of the types described in clauses (1) through (11) above; and

(13) solely with respect to any Captive Insurance Subsidiary, any investment that the Captive Insurance Subsidiary is not prohibited to make in accordance with applicable law.

In the case of Investments by any Foreign Subsidiary or Investments made in a country outside the United States of America, Cash Equivalents will also include (i) investments of the type and maturity described in clauses (1) through (13) above of foreign obligors, which investments or obligors (or the parents of such obligors) have ratings described in such clauses or equivalent ratings from comparable foreign rating agencies and (ii) other short-term investments utilized by Foreign Subsidiaries in accordance with normal investment practices for cash management in investments analogous to the foregoing investments in clauses (1) through (13) and in this paragraph.

Notwithstanding the foregoing, Cash Equivalents will include amounts denominated in currencies other than those set forth in clauses (1) and (2) above, *provided* that such amounts, except amounts used to pay non-Dollar denominated obligations of the Borrower or any Restricted Subsidiary in the ordinary course of business, are converted into any currency listed in clause (1) or (2) above as promptly as practicable and in any event within ten (10) Business Days following the receipt of such amounts.

"**Cash Management Agreement**" means any agreement entered into from time to time by Holdings, the Borrower or any Restricted Subsidiary in connection with cash management services for collections, other Cash Management Services and for operating, payroll and trust accounts of such Person, including automatic clearing house services, controlled disbursement services, electronic funds transfer services, information reporting services, lockbox services, stop payment services and wire transfer services.

"**Cash Management Bank**" means any Person that is an Agent, a Lender or an Affiliate of an Agent or Lender at the time it entered into a Cash Management Agreement, whether or not such Person subsequently ceases to be an Agent, a Lender or an Affiliate of an Agent or Lender.

"**Cash Management Obligations**" means obligations owed by Holdings, the Borrower or any Restricted Subsidiary to any Cash Management Bank in connection with, or in respect of, any Cash Management Services.

"**Cash Management Services**" means (a) commercial credit cards, merchant card services, purchase or debit cards, includingnon-card e-payables services, (b) treasury management services (including controlled disbursement, overdraft, automatic clearing house fund transfer services, return items and interstate depository network services), (c) foreign exchange, netting and currency management services and (d) any other demand deposit or operating account relationships or other cash management services, including under any Cash Management Agreements.

"**Casualty Event**" means any event that gives rise to the receipt by the Borrower or any Restricted Subsidiary of any insurance proceeds or condemnation awards in respect of any equipment, fixed assets or real property (including any improvements thereon) to replace or repair such equipment, fixed assets or real property.

"**CDOR**" means, when used in reference to any Loan or Borrowing, that such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the CDOR Rate.

"**CDOR Rate**" means for the relevant interest period, the Canadian deposit offered rate which, in turn means on any day the sum of: (a) the annual rate of interest determined with reference to the arithmetic average of the discount rate quotations of all institutions listed in respect of the relevant interest period for Canadian Dollar-denominated bankers' acceptances displayed and identified as such on the "Reuters Screen CDOR Page" as defined in the International Swap Dealer Association, Inc. definitions, as modified and amended from time to time, as of 10:00 a.m. Toronto local time on such day and, if such day is not a Business Day, then on the immediately preceding Business Day (as adjusted by the Administrative Agent after 10:00 a.m. Toronto local time to reflect any error in the posted rate of interest or in the posted average annual rate of interest); plus (b) solely with respect to a Lender that is not a Schedule I Lender, 0.10% per annum; provided that if such rates are not available on the Reuters Screen CDOR Page on any particular day, then the Canadian deposit offered rate component of such rate on that day shall be calculated as the cost of funds quoted by the Administrative Agent to raise Canadian Dollars for the applicable interest period as of 10:00 a.m. Toronto local time on such day for commercial loans or other extensions of credit to businesses of comparable credit risk; or if such day is not a Business Day, then as quoted by the Administrative Agent on the immediately preceding Business Day.

"**CFC**" means a "controlled foreign corporation" within the meaning of Section 957(a) of the Code.

"**CFC Holdco**" means a Domestic Subsidiary that has no material assets other than the Equity Interests in or indebtedness of one or more Foreign Subsidiaries that are CFCs, including the indirect ownership of such Equity Interests or indebtedness through one or more CFC Holdcos that have no other material assets.

"**Change in Law**" means the occurrence, after the Closing Date, of any of the following: (a) the adoption of any law, rule, regulation or treaty (excluding the taking effect after the Closing Date of a law, rule, regulation or treaty adopted prior to the Closing Date), (b) any change in any law, rule, regulation or treaty or in the administration, interpretation or application thereof by any Governmental Authority or (c) the making or issuance of any request, guideline or directive (whether or not having the force of law) by any Governmental Authority. It is understood and agreed that (i) the Dodd–Frank Wall Street Reform and Consumer Protection Act (Public Law 111-203, H.R. 4173), all Laws relating thereto and all interpretations and applications thereof and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States regulatory authorities, in each case pursuant to Basel III, shall, for the purpose of this Agreement, be deemed to be adopted subsequent to the Closing Date.

"**Change of Control**" means the occurrence of any of the following after the Closing Date:

(1) at any time prior to the consummation of the first public offering of the Borrower's common equity or the common equity of any Parent Company after the Closing Date, the Permitted Holders ceasing to beneficially own (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), in the aggregate, directly or indirectly, at least a majority of the aggregate ordinary voting power represented by the issued and outstanding Equity Interests of the Borrower or any Parent Company; or

(2) at any time following the consummation of the first public offering of the Borrower's common equity or the common equity of any Parent Company after the Closing Date, (a) any Person (other than a Permitted Holder) or (b) Persons (other than one or more Permitted Holders) constituting a "group" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act), becoming the "beneficial owner" (as defined in Rules 13(d)-3 and 13(d)-5 under such Act) of Equity Interests of the Borrower or such Parent Company representing more than thirty-five percent (35%) of the aggregate ordinary voting power represented by the issued and outstanding Equity Interests of the Borrower or such Parent Company, as applicable, and the percentage of aggregate ordinary voting power so held is greater than the percentage of the aggregate ordinary voting power represented by the Equity Interests of LTF Holdings, Inc. beneficially owned, directly or indirectly, in the aggregate by the Permitted Holders (*provided*, *however*, that for purposes of measuring beneficial ownership held by any Person that is not a Permitted Holder, Equity Interests held by any Permitted Holder will be excluded);

(3) any "Change of Control" (or any comparable term) in any document pertaining to the Senior Notes or any Refinancing Indebtedness thereof; or

(4) Holdings shall cease to be the registered owner of 100% of the Equity Interests of the Borrower;

unless, in the case of clause (1) or (2) above, the Permitted Holders have, at such time, the right or the ability by voting power, contract or otherwise to elect or designate for election at least a majority of the board of directors of the Borrower or any Parent Company.

"**Claim**" means any actions, suits or written demands or claims.

"**Class**" means (i) with respect to Commitments or Loans, those of such Commitments or Loans that have the same terms and conditions (without regard to differences in the Type of Loan, Interest Period, upfront fees, OID or similar fees paid or payable in connection with such Commitments or Loans, or differences in tax treatment (e.g., "fungibility")) and (ii) with respect to Lenders, those of such Lenders that have Commitments or Loans of a particular Class.

"**Closing Date**" means the first date on which all the conditions precedent in Section 4.01 are satisfied or waived in accordance with Section 10.01, and the Closing Date Term Loans are made to the Borrower pursuant to Section 2.01(1), which date was June 10, 2015.

"**Closing Date Loans**" means the Closing Date Term Loans and any Closing Date Revolving Borrowing.

"**Closing Date Material Adverse Effect**" means a "Company Material Adverse Effect" as defined in the Transaction Agreement.

"**Closing Date Refinancing**" means the repayment of all Indebtedness of the Acquired Company and its Subsidiaries with respect to which the Transaction Agreement requires the delivery of a payoff letter.

"**Closing Date Revolving Borrowing**" means a borrowing of Revolving Loans on the Closing Date, not to exceed the amount(s) (i) to pay Transaction Expenses in an amount not to exceed $20.0 million, *plus* (ii) for working capital purposes, *plus* (iii) to fund any original issue discount or upfront fees in connection with the Transactions resulting from the exercise of any "market flex" pursuant to the Fee Letter; *provided* that Letters of Credit may be issued on the Closing Date to backstop or replace letters of credit, guarantees and performance or similar bonds outstanding on the Closing Date (including deemed issuances of Letters of Credit under this Agreement resulting from an existing issuer of letters of credit outstanding on the Closing Date agreeing to become an Issuing Bank under this Agreement).

"**Closing Date Revolving Facility**" means the Revolving Facility made available by the Revolving Lenders as of the Closing Date.

"**Closing Date Term Loan Commitment**" means, as to each Term Lender, its obligation to make a Closing Date Term Loan to the Borrower in an aggregate amount not to exceed the amount specified opposite such Lender's name under on Schedule 2.01 under the caption "Closing Date Term Loan Commitment" or in the Assignment and Assumption (or Affiliated Lender Assignment and Assumption) pursuant to which such Term Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement (including pursuant to Section 2.14, 2.15 or 2.16). The initial aggregate amount of the Closing Date Term Loan Commitments is $1,250.00 million.

"**Closing Date Term Loans**" means the Term Loans made by the Lenders on the Closing Date to the Borrower pursuant to Section 2.01(1).

"**Co-Investors**" means any of (a) the assignees, if any, of the equity commitments of any Investor who become holders of Equity Interests in Holdings (or any Parent Company) on the Closing Date in connection with the Merger and (b) the transferees, if any, that acquire, within ninety (90) days of the Closing Date, any Equity Interests in Holdings (or any Parent Company) held by any Investor as of the Closing Date.

"**Code**" means the U.S. Internal Revenue Code of 1986, as amended.

"**Collateral**" means all the "Collateral" (or equivalent term) as defined in any Collateral Document and the Mortgaged Properties, if any.

"**Collateral Agent**" has the meaning specified in the introductory paragraph to this Agreement.

"**Collateral and Guarantee Requirement**" means, at any time, the requirement that:

(1) the Collateral Agent shall have received each Collateral Document required to be delivered (a) on the Closing Date pursuant to Section 4.01(1)(c) or (b) pursuant to Section 6.11 or 6.13 at such time required by such Sections to be delivered, in each case, duly executed by each Loan Party that is party thereto;

(2) all Obligations shall have been unconditionally guaranteed by (a) Holdings (or any successor thereto), (b) each Restricted Subsidiary of the Borrower that is a wholly owned Material Subsidiary (other than any Excluded Subsidiary), which as of the Closing Date after giving effect to the Assumption shall include those that are listed on Schedule 1.01(1) hereto and (c) any Restricted Subsidiary of the Borrower that Guarantees (or is the borrower or issuer of) (i) the Senior Notes; (ii) any other Junior Financing, (iii) any Permitted Incremental Equivalent Debt or (iv) any Credit Agreement Refinancing Indebtedness (the Persons in the preceding clauses (a) through (c) collectively, the "**Guarantors**");

(3) except to the extent otherwise provided hereunder or under any Collateral Document, the Obligations and the Guaranty shall have been secured by a perfected security interest, subject only to Liens permitted by Section 7.01, in

(a) all the Equity Interests of the Borrower,

(b) all Equity Interests of each direct, wholly owned Material Domestic Subsidiary (other than any CFC Holdco) that is directly owned by the Borrower or any Subsidiary Guarantor and

(c) 65% of the issued and outstanding voting Equity Interests and 100% of the issued and outstanding Equity Interests that are not voting Equity Interests of each (i) wholly owned Material Domestic Subsidiary that is (a) a CFC Holdco and (b) directly owned by the Borrower or any Subsidiary Guarantor and (ii) Foreign Subsidiary that is directly owned by the Borrower or any Subsidiary Guarantor;

(4) except to the extent otherwise provided hereunder, including subject to Liens permitted by Section 7.01 or under any Collateral Document and in each case subject to exceptions and limitations

otherwise set forth in this Agreement and the Collateral Documents, the Obligations and the Guaranty shall have been secured by a security interest in substantially all tangible and intangible personal property of the Borrower and each Guarantor (including accounts other than Securitization Assets), inventory, equipment, investment property, contract rights, applications and registrations of intellectual property filed in the United States, other general intangibles, and proceeds of the foregoing, in each case,

(a) that has been perfected (to the extent such security interest may be perfected by

(i) delivering certificated securities, intercompany notes and other instruments in which a security interest can be perfected by physical control, in each case to the extent required hereunder or the Security Agreement;

(ii) filing financing statements under the Uniform Commercial Code,

(iii) making any necessary filings with the United States Patent and Trademark Office or United States Copyright Office or

(iv) filings in the applicable real estate records with respect to Mortgaged Properties (or any fixtures related to Mortgaged Properties) to the extent required by the Collateral Documents and

(b) with the priority required by the Collateral Documents;*provided* that any such security interests in the Collateral shall be subject to the terms of the Intercreditor Agreements to the extent applicable; and

(5) the Collateral Agent shall have received counterparts of a Mortgage, together with the other deliverables described in Section 6.11(2)(b), with respect to each Material Real Property listed on Schedule 1.01(2) (to the extent required to be delivered pursuant to Section 6.13) or otherwise required to be delivered pursuant to Section 6.11 (the "**Mortgaged Properties**") duly executed and delivered by the record owner of such property within the time periods set forth in said Sections; *provided* that to the extent any Mortgaged Property is located in a jurisdiction which imposes mortgage recording taxes, intangibles tax, documentary tax or similar recording fees or taxes, (a) the relevant Mortgage shall not secure an amount in excess of the fair market value of the Mortgaged Property subject thereto and (b) subject to the approval of the Collateral Agent in its reasonable discretion, the relevant Mortgage shall not secure the Indebtedness in respect of Letters of Credit or the Revolving Facility to the extent those jurisdictions impose such aforementioned taxes on paydowns or re-advances applicable to such Indebtedness unless it is feasible to limit recovery to a capped amount that would not be subject to re-borrowing.

The foregoing definition shall not require, and the Loan Documents shall not contain any requirements as to, the creation, perfection or maintenance of pledges of, or security interests in, Mortgages on, or the obtaining of Mortgage Policies, surveys, abstracts or appraisals or taking other actions with respect to, any Excluded Assets.

The Collateral Agent may grant extensions of time for the creation, perfection or maintenance of security interests in, or the execution or delivery of any Mortgage and the obtaining of title insurance, surveys or Opinions of Counsel with respect to, particular assets (including extensions beyond the Closing Date for the creation, perfection or maintenance of security interests in the assets of the Loan Parties on such date) where it reasonably determines, in consultation with the Borrower, that creation or perfection cannot be accomplished without undue effort or expense by the time or times at which it would otherwise be required by this Agreement or the Collateral Documents.

No actions required by the Laws of any non-U.S. jurisdiction shall be required in order to create any security interests in any assets or to perfect or make enforceable such security interests (including any intellectual property registered or applied for in any non-U.S. jurisdiction) and there shall be no security agreements or pledge agreements governed under the Laws of any non-U.S. jurisdiction. No actions shall be required with respect to assets (other than in respect of Pledged Collateral (as defined in, and to the extent required under, the Security Agreement)) requiring perfection through control agreements or perfection by "control" (as defined in the UCC).

"**Collateral Documents**" means, collectively, the Security Agreement, the Intellectual Property Security Agreements, the Mortgages (if any), each of the collateral assignments, security agreements, pledge agreements or other similar agreements delivered to the Administrative Agent, Collateral Agent or the Lenders pursuant to Sections 4.01(1)(c), 6.11 or 6.13 and each of the other agreements, instruments or documents that creates or purports to create a Lien in favor of the Collateral Agent for the benefit of the Secured Parties.

"**Commitment**" means a Revolving Commitment, any Revolving Commitment Increase or other commitments in respect of any Incremental Revolving Facility, Initial Term Commitment, Incremental Commitment, Refinancing Commitment or Extended Commitment, or any commitment in respect of Replacement Loans, as the context may require.

"**Commitment Fee Rate**" means a percentage per annum equal to the Applicable Rate set forth in the "Commitment Fee Rate" column of the chart in the definition of "Applicable Rate."

"**Commitment Letter**" means that certain Amended and Restated Commitment Letter, dated as of April 3, 2015, among Merger Sub, DB, Goldman Sachs, Jefferies, BMO, RBC, Macquarie, Nomura, Mizuho and US Bank, as amended, restated, amended and restated, supplemented or otherwise modified from time to time in accordance with the terms thereof.

"**Committed Loan Notice**" means a notice of (1) a Borrowing with respect to a given Class of Loans, (2) a conversion of Loans of a given Class from one Type to the other or (3) a continuation of Eurodollar Rate Loans or CDOR Loans of a given Class, pursuant to Section 2.02(1), which, if in writing, shall be substantially in the form of Exhibit A-1.

"**Commodity Exchange Act**" means the Commodity Exchange Act (7 U.S.C. §1 et. seq.), as amended from time to time and any successor statute.

"**Compensation Period**" has the meaning specified in Section 2.12(3)(b).

"**Compliance Certificate**" means a certificate substantially in the form of Exhibit C and which certificate shall in any event be a certificate of a Financial Officer of the Borrower

(1) certifying as to whether a Default has occurred and is continuing and, if applicable, specifying the details thereof and any action taken or proposed to be taken with respect thereto (in each case, other than any Default with respect to which the Administrative Agent has otherwise obtained notice in accordance with Section 6.03(1)),

(2) in the case of financial statements delivered under Section 6.01(1), setting forth reasonably detailed calculations of (i) Excess Cash Flow for each fiscal year commencing with the financial statements for fiscal year 2016 of the Borrower and (ii) the Net Proceeds and Specified Sale-Leaseback Net Proceeds (as applicable) received during the applicable period by or on behalf of the Borrower or any Restricted Subsidiary in respect of any (x) Asset Sale or Casualty Event subject to prepayment pursuant to Section 2.05(2)(b)(i) and the portion of such Net Proceeds that has been invested or is intended to be reinvested in accordance with Section 2.05(2)(b)(ii) and (y) Specified Sale-Leaseback Transaction subject to prepayment pursuant to Section 2.05(2)(c),

(3) to the extent that compliance with the financial covenant under Section 7.12 is (or was) required in respect of the period covered by such financial statements, certifying as to (and containing all information and calculations necessary for determining) compliance with such financial covenant as of the last day of the applicable Test Period, and

(4) commencing with the certificate delivered pursuant to Section 6.02(1) for the first full fiscal quarter ending after the Closing Date, if the First Lien Net Leverage Ratio as of the last day of the most recent Test Period would result in a change in the applicable "Pricing Level" as set forth in the definition of "Applicable Rate," setting forth a calculation of such First Lien Net Leverage Ratio.

"**Consolidated Current Assets**" means, as at any date of determination, the total assets of the Borrower and the Restricted Subsidiaries on a consolidated basis that may properly be classified as current assets in conformity with GAAP, excluding cash and Cash Equivalents, amounts related to current or deferred taxes based on income or profits, assets held for sale, loans (permitted) to third parties, pension assets, deferred bank fees, derivative financial instruments and any assets in respect of Hedge Agreements, and excluding the effects of adjustments pursuant to GAAP resulting from the application of recapitalization accounting or purchase accounting, as the case may be, in relation to the Transactions or any consummated acquisition.

"**Consolidated Current Liabilities**" means, as at any date of determination, the total liabilities of the Borrower and the Restricted Subsidiaries on a consolidated basis that may properly be classified as current liabilities in conformity with GAAP, excluding (A) the current portion of any Funded Debt, (B) the current portion of interest, (C) accruals for current or deferred taxes based on income or profits, (D) accruals of any costs or expenses related to restructuring reserves or severance, (E) Revolving Loans, Swing Line Loans and L/C Obligations under this Agreement or any other revolving loans, swingline loans and letter of credit obligations under any other revolving credit facility, (F) the current portion of any Capitalized Lease Obligation, (G) deferred revenue arising from cash receipts that are earmarked for specific projects, (H) liabilities in respect of unpaid earn-outs, (I) the current portion of any other long-term liabilities, (J) accrued litigation settlement costs and (K) any liabilities in respect of Hedge Agreements, and, furthermore, excluding the effects of adjustments pursuant to GAAP resulting from the application of recapitalization accounting or purchase accounting, as the case may be, in relation to the Transactions or any consummated acquisition.

"**Consolidated Depreciation and Amortization Expense**" means, with respect to any Person for any period, the total amount of depreciation and amortization expense of such Person and its Restricted Subsidiaries, including the amortization of intangible assets, deferred financing fees, debt issuance costs, commissions, fees and expenses and amortization of Capitalized Software Expenditures of such Person and its Restricted Subsidiaries for such period on a consolidated basis and otherwise determined in accordance with GAAP.

"**Consolidated Interest Expense**" means, with respect to any Person for any period, without duplication, the sum of:

(1) cash interest expense (including that attributable to Capitalized Lease Obligations), net of cash interest income, with respect to Indebtedness of such Person and its Restricted Subsidiaries for such period, other than Non-Recourse Indebtedness, including commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing and net cash costs under hedging agreements (other than in connection with the early termination thereof); *plus*

(2) non-cash interest expense resulting solely from (a) the amortization of original issue discount from the issuance of Indebtedness of such Person and its Restricted Subsidiaries at less than par (excluding the Senior Notes and any Indebtedness borrowed under the Facilities in connection with the Transactions and any Non-Recourse Indebtedness), *plus* (b) pay-in-kind interest expense of such Person and its Restricted Subsidiaries payable pursuant to the terms of the agreements governing such Indebtedness for borrowed money;

excluding, in each case:

(i) amortization of deferred financing costs, debt issuance costs, commissions, fees and expenses and any other amounts ofnon-cash interest other than referred to in clauses (2)(a) and (2)(b) above (including as a result of the effects of acquisition method accounting or pushdown accounting),

(ii) interest expense attributable to the movement of the mark-to-market valuation of obligations under Hedging Obligations or other derivative instruments, including pursuant to FASB Accounting Standards Codification Topic 815, *Derivatives and Hedging*,

(iii) costs associated with incurring or terminating Hedging Obligations and cash costs associated with breakage in respect of hedging agreements for interest rates,

(iv) commissions, discounts, yield, make-whole premium and other fees and charges (including any interest expense) incurred in connection with any Non-Recourse Indebtedness,

(v) "additional interest" owing pursuant to a registration rights agreement with respect to any securities,

(vi) any payments with respect to make-whole premiums or other breakage costs of any Indebtedness, including any Indebtedness issued in connection with the Transactions,

(vii) penalties and interest relating to taxes,

(viii) accretion or accrual of discounted liabilities not constituting Indebtedness,

(ix) interest expense attributable to a Parent Company resulting from push-down accounting,

(x) any expense resulting from the discounting of Indebtedness in connection with the application of recapitalization or purchase accounting,

(xi) any interest expense attributable to the exercise of appraisal rights and the settlement of any claims or actions (whether actual, contingent or potential), with respect thereto and with respect to the Transactions, any acquisition or Investment and

(xii) annual agency fees paid to any administrative agents and collateral agents with respect to any secured or unsecured loans, debt facilities, debentures, bonds, commercial paper facilities or other forms of Indebtedness (including any security or collateral trust arrangements related thereto), including the Facilities and the Senior Notes.

For purposes of this definition, interest on a Capitalized Lease Obligation will be deemed to accrue at an interest rate reasonably determined by such Person to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP.

"**Consolidated Net Income**" means, with respect to any Person for any period, the net income (loss) of such Person and its Restricted Subsidiaries for such period determined on a consolidated basis in accordance with GAAP, excluding (and excluding the effect of), without duplication,

(1) extraordinary, non-recurring or unusual gains, losses, fees, costs, charges or expenses (including relating to any multi-year strategic initiatives and accruals and reserves in connection with such gains, losses, charges or expenses); restructuring costs, charges, accruals or reserves (including restructuring and integration costs related to acquisitions and adjustments to existing reserves, and in each case, whether or not classified as such under GAAP); costs and expenses related to any reconstruction, decommissioning, recommissioning or reconfiguration of facilities and fixed assets for alternative uses; Public Company Costs; costs and expenses related to the integration, consolidation, opening, pre-opening and closing of facilities and fixed assets; severance and relocation costs and expenses, one-time compensation costs and expenses, consulting fees, signing, retention or completion bonuses, and executive recruiting costs; costs and expenses incurred in connection with strategic initiatives; transition costs and duplicative running costs; costs and expenses incurred in connection with non-ordinary course product and intellectual property development; costs incurred in connection with acquisitions (or purchases of assets)

prior to or after the Closing Date (including integration costs); business optimization expenses (including costs and expenses relating to business optimization programs, new systems design, retention charges, system establishment costs and implementation costs and project start-up costs), accruals and reserves; operating expenses attributable to the implementation of cost-savings initiatives; curtailments and modifications to pension and post-retirement employee benefit plans (including any settlement of pension liabilities and charges resulting from changes in estimates, valuations and judgments);

(2) the cumulative effect of a change in accounting principles and changes as a result of the adoption or modification of accounting policies during such period whether effected through a cumulative effect adjustment or a retroactive application, in each case in accordance with GAAP;

(3) Transaction Expenses;

(4) any gain (loss) on asset sales, disposals or abandonments (other than asset sales, disposals or abandonments in the ordinary course of business or consistent with industry practice) or income (loss) from discontinued operations (but if such operations are classified as discontinued due to the fact that they are subject to an agreement to dispose of such operations, only when and to the extent such operations are actually disposed of);

(5) the Net Income for such period of any Person that is an Unrestricted Subsidiary and, solely for the purpose of determining the amount available for Restricted Payments under clause (3)(a) of Section 7.05(a), the Net Income for such period of any Person that is not a Subsidiary or that is accounted for by the equity method of accounting; *provided* that the Consolidated Net Income of a Person will be increased by the amount of dividends or distributions or other payments that are actually paid in cash or Cash Equivalents (or to the extent converted into cash or Cash Equivalents) to such Person or a Restricted Subsidiary thereof in respect of such period);

(6) solely for the purpose of determining the amount available for Restricted Payments under clause (3)(a) of Section 7.05(a), the Net Income for such period of any Restricted Subsidiary (other than any Guarantor) to the extent that the declaration or payment of dividends or similar distributions by that Restricted Subsidiary of its Net Income is not at the date of determination permitted without any prior governmental approval (which has not been obtained) or, directly or indirectly, by the operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary or its stockholders, unless such restriction with respect to the payment of dividends or similar distributions has been legally waived (or the Borrower reasonably believes such restriction could be waived and is using commercially reasonable efforts to pursue such waiver); *provided* that Consolidated Net Income of a Person will be increased by the amount of dividends or other distributions or other payments actually paid in cash or Cash Equivalents (or to the extent converted into cash or Cash Equivalents), or the amount that could have been paid in cash or Cash Equivalents without violating any such restriction or requiring any such approval, to such Person or a Restricted Subsidiary thereof in respect of such period, to the extent not already included therein;

(7) effects of adjustments (including the effects of such adjustments pushed down to such Person and its Restricted Subsidiaries) related to the application of recapitalization accounting or purchase accounting (including in the inventory, property and equipment, software, goodwill, intangible assets, in process research and development, deferred revenue and debt line items);

(8) income (loss) from the early extinguishment or conversion of (a) Indebtedness, (b) Hedging Obligations or (c) other derivative instruments;

(9) any impairment charge or asset write-off or write-down in each case, pursuant to GAAP, and the amortization of intangibles arising pursuant to GAAP;

(10) (a) any equity based or non-cash compensation charge or expense, including any such charge or expense arising from grants of stock appreciation, equity incentive programs or similar rights,

stock options, restricted stock or other rights to, and any cash charges associated with the rollover, acceleration or payout of, Equity Interests by management of such Person or of a Restricted Subsidiary or any Parent Company, (b) noncash compensation expense resulting from the application of Accounting Standards Codification Topic No. 718, *Compensation—Stock Compensation* or Accounting Standards Codification Topic 505-50, *Equity-Based Payments to Non-Employees*, and (c) any income (loss) attributable to deferred compensation plans or trusts;

(11) any fees, expenses or charges incurred during such period, or any amortization thereof for such period, in connection with any acquisition, Investment, Asset Sale, disposition, incurrence or repayment of Indebtedness (including such fees, expenses or charges related to the offering and issuance of the Notes and the syndication and incurrence of any Facilities), issuance of Equity Interests (including by any direct or indirect parent of the Borrower), recapitalization, refinancing transaction or amendment or modification of any debt instrument (including any amendment or other modification of the Notes and other securities and any Facilities) and including, in each case, any such transaction whether consummated on, after or prior to the Closing Date and any such transaction undertaken but not completed, and any charges or nonrecurring merger costs incurred during such period as a result of any such transaction, in each case whether or not successful or consummated (including, for the avoidance of doubt, the effects of expensing all transaction related expenses in accordance with Accounting Standards Codification Topic No. 805, *Business Combinations*);

(12) accruals and reserves that are established or adjusted in connection with the Transactions, an Investment or an acquisition that are required to be established or adjusted as a result of the Transactions, such Investment or such acquisition, in each case accordance with GAAP;

(13) any expenses, charges or losses to the extent covered by insurance that are, directly or indirectly, reimbursed or reimbursable by a third party, and any expenses, charges or losses that are covered by indemnification or other reimbursement provisions in connection with any acquisition, Investment or any sale, conveyance, transfer or other disposition of assets permitted under this Agreement;

(14) any non-cash gain (loss) attributable to the mark to market movement in the valuation of Hedging Obligations or other derivative instruments pursuant to FASB Accounting Standards Codification Topic 815—*Derivatives and Hedging* or mark to market movement of other financial instruments pursuant to FASB Accounting Standards Codification Topic 825—*Financial Instruments*;

(15) any net unrealized gain or loss (after any offset) resulting in such period from currency transaction or translation gains or losses including those related to currency remeasurements of Indebtedness (including any net loss or gain resulting from (a) Hedging Obligations for currency exchange risk and (b) resulting from intercompany indebtedness) and any other foreign currency transaction or translation gains and losses, to the extent such gain or losses are non-cash items;

(16) any adjustments resulting from the application of Accounting Standards Codification Topic No. 460,*Guarantees*, or any comparable regulation;

(17) any non-cash rent expense;

(18) the amount of any management, monitoring, consulting, transaction and advisory fees and related expenses paid to the Investors (or any accruals relating to such fees and related expenses) during such period to the extent otherwise permitted by Section 7.07;

(19) any non-cash expenses, accruals or reserves related to adjustments to historical tax exposures; and

(20) earn-out and contingent consideration obligations (including to the extent accounted for as bonuses or otherwise) and adjustments thereof and purchase price adjustments.

In addition, to the extent not already included in the Consolidated Net Income of such Person and its Restricted Subsidiaries, Consolidated Net Income will include the amount of proceeds received or receivable from business interruption insurance, the amount of any expenses or charges incurred by such Person or its Restricted Subsidiaries during such period that are, directly or indirectly, reimbursed or reimbursable by a third party, and amounts that are covered by indemnification or other reimbursement provisions in connection with any acquisition, Investment or any sale, conveyance, transfer or other disposition of assets permitted hereunder.

Notwithstanding the foregoing, for the purpose of Section 7.05 (other than clause (3)(d) of Section 7.05(a)), there will be excluded from Consolidated Net Income any income arising from any sale or other disposition of Restricted Investments made by such Person and its Restricted Subsidiaries, any repurchases and redemptions of Restricted Investments from such Person and its Restricted Subsidiaries, any repayments of loans and advances which constitute Restricted Investments by such Person or any Restricted Subsidiary, any sale of the stock of an Unrestricted Subsidiary or any distribution or dividend from an Unrestricted Subsidiary, in each case only to the extent such amounts increase the amount of Restricted Payments permitted under clause (3)(d) of Section 7.05(a).

"**Consolidated Total Debt**" means, as of any date of determination, the aggregate principal amount of Indebtedness of the Borrower and the Restricted Subsidiaries outstanding on such date, determined on a consolidated basis in accordance with GAAP, consisting only of Indebtedness for borrowed money, Capitalized Lease Obligations, debt obligations evidenced by bonds, notes, debentures, promissory notes or similar instruments and guarantees of Indebtedness of such types of a third Person; *provided,* Consolidated Total Debt will not include Non-Recourse Indebtedness and Indebtedness in respect of any (1) letter of credit, except to the extent of obligations in respect of drawn standby letters of credit which have not been reimbursed within three (3) Business Days and (2) Hedging Obligations, except any unpaid termination payments thereunder. The Dollar-equivalent principal amount of any Indebtedness denominated in a foreign currency will reflect the currency translation effects, determined in accordance with GAAP, of Hedging Obligations for currency exchange risks with respect to the applicable currency in effect on the date of determination of the Dollar-equivalent principal amount of such Indebtedness.

"**Consolidated Working Capital**" means, as at any date of determination, the excess of Consolidated Current Assets over Consolidated Current Liabilities. In measuring any increase or decrease in Consolidated Working Capital for any period, (1) to the extent the Borrower or any Restricted Subsidiary has consummated during such period any one or more acquisitions or dispositions of any Person, then (a) in the case of an acquisition, the Consolidated Working Capital of such acquired Person as of the date of the consummation of such acquisition (after giving effect to the transactions consummated with respect to such acquisition) will be added to the Consolidated Working Capital of the Borrower and its Restricted Subsidiaries as of the first day of such period and (b) in the case of a disposition, the Consolidated Working Capital of the disposed Person as of the date of the disposition of such Person shall be subtracted from the Consolidated Working Capital of the Borrower and its Restricted Subsidiaries as of the first day of such period and (2) the application of recapitalization or purchase accounting as a result of any acquisitions or dispositions completed during such period will be excluded.

"**Contingent Obligations**" means, with respect to any Person, any obligation of such Person guaranteeing any leases, dividends or other obligations that do not constitute Indebtedness ("**primary obligations**") of any other Person (the "**primary obligor**") in any manner, whether directly or indirectly, including any obligation of such Person, whether or not contingent:

(1) to purchase any such primary obligation or any property constituting direct or indirect security therefor;

(2) to advance or supply funds:

(a) for the purchase or payment of any such primary obligation or

(b) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or

(3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

"**Contract Consideration**" has the meaning specified in clause (2)(k) of the definition of "Excess Cash Flow."

"**Contractual Obligation**" means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

"**Controlled Investment Affiliate**" means, as to any Person, any other Person, other than any Investor, which directly or indirectly is in control of, is controlled by, or is under common control with such Person and is organized by such Person (or any Person controlling such Person) primarily for making direct or indirect equity or debt investments in the Borrower or other companies.

"**Convertible Indebtedness**" means Indebtedness of the Borrower (which may be guaranteed by the Guarantors) permitted to be incurred hereunder that is either (a) convertible into common stock of the Borrower (and cash in lieu of fractional shares) or cash (in an amount determined by reference to the price of such common stock) or (b) sold as units with call options, warrants or rights to purchase (or substantially equivalent derivative transactions) that are exercisable for common stock of the Borrower or cash (in an amount determined by reference to the price of such common stock).

"**Credit Agreement Refinanced Debt**" has the meaning assigned to such term in the definition of "Credit Agreement Refinancing Indebtedness."

"**Credit Agreement Refinancing Indebtedness**" means secured or unsecured Indebtedness of the Borrower or any Guarantor; *provided* that:

(1) such Indebtedness is incurred or otherwise obtained (including by means of the extension or renewal of existing Indebtedness) in exchange for, or to extend, renew, replace, or refinance, in whole or in part, Indebtedness that is either (a) Loans, (b) Revolving Commitments or (c) other Credit Agreement Refinancing Indebtedness ("**Credit Agreement Refinanced Debt**");

(2) such Indebtedness is in an original aggregate principal amount not greater than the principal amount of the Credit Agreement Refinanced Debt being exchanged, extended, renewed, replaced or refinanced (*plus* (a) the amount of all unpaid, accrued or capitalized interest, penalties, premiums (including tender premiums), and other amounts payable with respect to the Refinanced Debt and (b) underwriting discounts, fees, commissions, costs, expenses and other amounts payable with respect to such refinancing);

(3) the (a) Weighted Average Life to Maturity of such Indebtedness is equal to or longer than the remaining Weighted Average Life to Maturity of the Credit Agreement Refinanced Debt and (b) final maturity date of such Credit Agreement Refinancing Indebtedness is no earlier than the final maturity date of the Credit Agreement Refinanced Debt;

(4) any mandatory prepayments (and, with respect to any Credit Agreement Refinancing Indebtedness comprising Refinancing Revolving Loans, to the extent Commitments thereunder are permanently terminated) of:

(a) any Permitted Junior Priority Refinancing Debt or any Credit Agreement Refinancing Indebtedness that comprises unsecured notes or loans may not be made except to the extent that prepayments are (i) permitted hereunder and (ii) to the extent required hereunder or pursuant to the terms of any Permitted Equal Priority Refinancing Debt, first made or offered to the Loans and any such Permitted Equal Priority Refinancing Debt; and

(b) any Permitted Equal Priority Refinancing Debt shall be made on a *pro rata* basis or less than *pro rata* basis (but not greater than a pro rata basis) with each tranche of Closing Date Loans and the Closing Date Revolving Facility (in each case, other than pursuant to a refinancing permitted hereunder or with respect to greater than *pro rata* payments to an earlier maturing tranche);

(5) such Indebtedness is not guaranteed by any Subsidiary of the Borrower other than a Subsidiary Guarantor;

(6) if such Indebtedness is secured:

(a) such Indebtedness is not secured by any assets or property of Holdings, the Borrower or any Restricted Subsidiary that does not constitute Collateral (subject to customary exceptions for cash collateral in favor of an agent, letter of credit issuer or similar "fronting" lender);

(b) the security agreements relating to such Indebtedness are substantially similar to or the same as the Collateral Documents (as determined in good faith by a Responsible Officer of the Borrower);

(c) if such Indebtedness is secured on a *pari passu* basis with the Closing Date Term Loans, a Debt Representative acting on behalf of the holders of such Indebtedness has become party to or is otherwise subject to the provisions of an Equal Priority Intercreditor Agreement;

(d) if such Indebtedness is secured on a junior basis to the Closing Date Term Loans, a Debt Representative, acting on behalf of the holders of such Indebtedness, has become party to or is otherwise subject to the provisions of a Junior Lien Intercreditor Agreement; and

(7) the covenants and events of default applicable to such Indebtedness (x) are on market terms or (y) are substantially identical to, or, taken as a whole, not materially more favorable to the lenders or holders providing such Indebtedness than, those applicable to such Credit Agreement Refinanced Debt, in each case as determined in good faith by a Responsible Officer of the Borrower in its reasonable judgment; *provided* that the Borrower will promptly deliver to the Administrative Agent final copies of the definitive credit documentation relating to such Indebtedness (unless the Borrower is bound by a confidentiality obligation with respect thereto, in which case the Borrower will deliver a reasonably detailed description of the material terms and conditions of such Indebtedness in lieu thereof); *provided further* that this clause (7) will not apply to:

(i) terms addressed in the preceding clauses (1) through (6),

(ii) interest rate, fees, funding discounts and other pricing terms,

(iii) redemption, prepayment or other premiums,

(iv) optional redemption or prepayment terms and

(vi) covenants and other terms applicable only to periods after the Latest Maturity Date at the time of incurrence of such Indebtedness.

Anything to the contrary notwithstanding (including, for the avoidance of doubt, clause (3) above), Credit Agreement Refinancing Indebtedness will include (1) any Registered Equivalent Notes issued in exchange therefor and (2) any bridge or other interim credit facility intended to be Refinanced with long-term indebtedness (so long as such credit facility includes customary "rollover provisions") , in which case, clause (3) of the first proviso in this definition shall not prohibit the inclusion of customary terms for "bridge" facilities, including customary mandatory prepayment, repurchase or redemption provisions.

For the avoidance of doubt, any voluntary prepayments of Credit Agreement Refinancing Indebtedness may be made on a *pro rata* basis, greater than *pro rata* basis or less than *pro rata* basis with other Loans.

"**Credit Extension**" means each of the following: (i) a Borrowing and (ii) an L/C Credit Extension.

"**Cure Amount**" has the meaning specified in Section 8.04(1).

"**Cure Expiration Date**" has the meaning specified in Section 8.04(1)(a).

"**DB**" means, collectively, DBNY, DBCI and DBSI.

"**DBCI**" means Deutsche Bank AG Cayman Islands Branch.

"**DBNY**" means Deutsche Bank AG New York Branch.

"**DBSI**" means Deutsche Bank Securities Inc.

"**Debt Fund Affiliate**" means any (a) Affiliate of any Investor that is a bona fide bank, debt fund, distressed asset fund, hedge fund, mutual fund, insurance company, financial institution or an investment vehicle that is engaged in the business of investing in, acquiring or trading commercial loans, bonds and similar extensions of credit in the ordinary course, in each case, that is not organized primarily for the purpose of making equity investments and (b) investment fund or account of a Permitted Holder managed by third parties (including by way of a managed account, a fund or an index fund in which a Permitted Holder has invested) that is a bona fide bank, debt fund, distressed asset fund, hedge fund, mutual fund, insurance company, financial institution or an investment vehicle that is engaged in the business of investing in, acquiring or trading commercial loans, bonds and similar extensions of credit in the ordinary course, in each case of the preceding clauses (a) and (b), with respect to which the applicable Investor or Permitted Holder does not, directly or indirectly, possess the power to direct or cause the direction of the investment policies of such Person.

"**Debt Representative**" means, with respect to any series of Indebtedness secured by a Lien permitted under clause (39) of the definition of "Permitted Liens", Permitted Incremental Equivalent Debt, Permitted Equal Priority Refinancing Debt or Permitted Junior Priority Refinancing Debt, the trustee, administrative agent, collateral agent, security agent or similar agent under the indenture or agreement pursuant to which such Indebtedness is issued, incurred or otherwise obtained, as the case may be, and each of their successors in such capacities.

"**Debtor Relief Laws**" means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

"**Declined Proceeds**" has the meaning specified in Section 2.05(2)(g).

"**Default**" means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

"**Default Rate**" means an interest rate (a) with respect to any Eurodollar Rate Loan or Base Rate Loan, equal to (1) the Base Rate *plus* (2) the Applicable Rate applicable to Base Rate Loans, that are Revolving Loans *plus* (3) 2.00% per annum and (b) with respect to any Loan accruing interest based on the CDOR Rate, equal to the Canadian Base Rate, plus (2) the Applicable Rate applicable to Revolving Loans accruing interest based on

the CDOR Rate plus (3) 2.00% per annum; *provided* that with respect to the outstanding principal amount of any Loan, the Default Rate shall be an interest rate equal to the interest rate (including any Applicable Rate) otherwise applicable to such Loan (giving effect to Section 2.02(3)) *plus* 2.00% per annum, in each case, to the fullest extent permitted by applicable Laws.

"**Defaulting Lender**" means, subject to Section 2.17(2), any Lender (including any Issuing Bank) that (a) has failed to perform any of its funding obligations hereunder, including in respect of its Loans or participations in respect of L/C Obligations or Swing Line Loans, within one Business Day of the date required to be funded by it hereunder, (b) has notified the Borrower or the Administrative Agent that it does not intend to comply with its funding obligations or has made a public statement to that effect with respect to its funding obligations hereunder or under other agreements in which it commits to extend credit, (c) has failed, within three (3) Business Days after request by the Administrative Agent, to confirm in a manner satisfactory to the Administrative Agent that it will comply with its funding obligations or (d) has, or has a direct or indirect parent company that has, (i) become or is the subject of a proceeding under any Debtor Relief Law, (ii) had a receiver, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets or a custodian appointed for it or (iii) taken any action in furtherance of, or indicated its consent to, approval of or acquiescence in any such proceeding or appointment; *provided* that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under this definition shall be conclusive absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.17) upon delivery of written notice of such determination to the Borrower and each Lender.

"**Designated Non-Cash Consideration**" means the fair market value of non-cash consideration received by the Borrower or a Restricted Subsidiary in connection with an Asset Sale that is so designated as Designated Non-Cash Consideration pursuant to an Officer's Certificate, setting forth the basis of such valuation, *less* the amount of cash or Cash Equivalents received in connection with a subsequent sale, redemption or repurchase of or collection or payment on such Designated Non-Cash Consideration.

"**Designated Preferred Stock**" means Preferred Stock of the Borrower, any Restricted Subsidiary thereof or any Parent Company (in each case other than Disqualified Stock) that is issued for cash (other than to a Restricted Subsidiary or an employee stock ownership plan or trust established by the Borrower or any of its Subsidiaries) and is so designated as Designated Preferred Stock, pursuant to an Officer's Certificate, on or promptly after the issuance date thereof, the cash proceeds of which are excluded from the calculation set forth in clause (3) of Section 7.05(a).

"**Designated Revolving Commitments**" means any commitments to make loans or extend credit on a revolving basis to the Borrower or any Restricted Subsidiary by any Person other than the Borrower or any Restricted Subsidiary that have been designated in an Officer's Certificate delivered to the Administrative Agent as "Designated Revolving Commitments" until such time as the Borrower subsequently delivers an Officer's Certificate to the Administrative Agent to the effect that such commitments will no longer constitute "Designated Revolving Commitments;" *provided* that, during such time, such Designated Revolving Commitments will be deemed an incurrence of Indebtedness on such date and will be deemed outstanding for purposes of calculating the Fixed Charge Coverage Ratio, Total Net Leverage Ratio, First Lien Net Leverage Ratio and the availability of any Baskets hereunder.

"**Discharge**" means, with respect to any Indebtedness, the repayment, prepayment, repurchase (including pursuant to an offer to purchase), redemption, defeasance or other discharge of such Indebtedness, any such case in whole or in part.

"**Discount Prepayment Accepting Lender**" has the meaning assigned to such term in Section 2.05(1)(e)(B)(2).

"**Discount Range**" has the meaning assigned to such term in Section 2.05(1)(e)(C)(1).

"**Discount Range Prepayment Amount**" has the meaning assigned to such term in Section 2.05(1)(e)(C)(1).

"**Discount Range Prepayment Notice**" means a written notice of the Borrower Solicitation of Discount Range Prepayment Offers made pursuant to Section 2.05(1)(e)(C)(1) substantially in the form of Exhibit J.

"**Discount Range Prepayment Offer**" means the written offer by a Lender, substantially in the form ofExhibit K, submitted in response to an invitation to submit offers following the Auction Agent's receipt of a Discount Range Prepayment Notice.

"**Discount Range Prepayment Response Date**" has the meaning assigned to such term in Section 2.05(1)(e)(C)(1).

"**Discount Range Proration**" has the meaning assigned to such term in Section 2.05(1)(e)(C)(3).

"**Discounted Prepayment Determination Date**" has the meaning assigned to such term in Section 2.05(1)(e)(D)(3).

"**Discounted Prepayment Effective Date**" means in the case of the Borrower Offer of Specified Discount Prepayment, Borrower Solicitation of Discount Range Prepayment Offer or Borrower Solicitation of Discounted Prepayment Offer, five (5) Business Days following the Specified Discount Prepayment Response Date, the Discount Range Prepayment Response Date or the Solicited Discounted Prepayment Response Date, as applicable, in accordance with Section 2.05(1)(e)(B), Section 2.05(1)(e)(C) or Section 2.05(1)(e)(D), respectively, unless a shorter period is agreed to between the Borrower and the Auction Agent.

"**Discounted Term Loan Prepayment**" has the meaning assigned to such term in Section 2.05(1)(e)(A).

"**disposition**" has the meaning set forth in the definition of "Asset Sale".

"**Disqualified Institution**" means (a) any competitor (or Affiliate of any competitor (other than a bona fide debt Fund) of the Borrower or its Subsidiaries (including for purposes of this definition Life Time and its Subsidiaries) identified by or on behalf of the Borrower to (i) the Arrangers on or prior to the Closing Date or (ii) the Administrative Agent from time to time after the Closing Date, (b) those particular banks, financial institutions, other institutional lenders and other Persons identified by the Borrower to the Arrangers prior to the date of the Commitment Letter and (c) any Affiliate of the entities described in the preceding clauses (i) or (ii) that are either reasonably identifiable as such on the basis of their name or are identified as such in writing by the Borrower to (i) the Arrangers on or prior to the Closing Date or (ii) the Administrative Agent from time to time after the Closing Date; *provided* that any Person that is a Lender and subsequently becomes a Disqualified Institution (but was not a Disqualified Institution on the Closing Date or at the time it became a Lender) shall be deemed to not be a Disqualified Institution hereunder. The identity of Disqualified Institutions will not be posted or distributed to any Person, other than a distribution by the Administrative Agent to a Lender upon request therefor.

"**Disqualified Stock**" means, with respect to any Person, any Capital Stock of such Person which, by its terms, or by the terms of any security into which it is convertible or for which it is redeemable or exchangeable, or upon the happening of any event, matures or is mandatorily redeemable (other than solely as a result of a change of control, asset sale, casualty, condemnation or eminent domain) pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof (other than (i) for any Qualified Equity Interests or (ii) solely as a result of a change of control, asset sale, casualty, condemnation or eminent domain), in whole or in part, in each case prior to the date 91 days after Latest Maturity Date or the date the Loans are no longer outstanding and the Commitments have been terminated; *provided* that if such Capital Stock is issued pursuant to any plan for the benefit of, future, current or former employees, directors, officers, members of management or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members or any permitted

transferees thereof) of the Borrower or its Subsidiaries or any Parent Company or by any such plan to such employees, directors, officers, members of management or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members or any permitted transferees thereof), such Capital Stock will not constitute Disqualified Stock solely because it may be required to be repurchased by the Borrower or its Subsidiaries in order to satisfy applicable statutory or regulatory obligations or as a result of such employee's, director's, officer's, management member's or consultant's termination, death or disability; *provided further* any Capital Stock held by any future, current or former employee, director, officer, member of management or consultant (or their respective Controlled Investment Affiliates or Immediate Family Members or any permitted transferees thereof) of the Borrower, any of its Subsidiaries, any Parent Company, or any other entity in which the Borrower or a Restricted Subsidiary has an Investment and is designated in good faith as an "affiliate" by the Board of Directors (or the compensation committee thereof), in each case pursuant to any equity subscription or equity holders' agreement, management equity plan or stock option plan or any other management or employee benefit plan or agreement will not constitute Disqualified Stock solely because it may be required to be repurchased by the Borrower or any Subsidiary or in order to satisfy applicable statutory or regulatory obligations or as a result of such employee's, director's, officer's, management member's or consultant's termination, death or disability. For the purposes hereof, the aggregate principal amount of Disqualified Stock will be deemed to be equal to the greater of its voluntary or involuntary liquidation preference and maximum fixed repurchase price, determined on a consolidated basis in accordance with GAAP, and the "maximum fixed repurchase price" of any Disqualified Stock that does not have a fixed repurchase price will be calculated in accordance with the terms of such Disqualified Stock as if such Disqualified Stock were purchased on any date on which the Consolidated Total Debt will be required to be determined pursuant to this Agreement, and if such price is based upon, or measured by, the fair market value of such Disqualified Stock.

"**Dollar**" and "**$**" mean lawful money of the United States.

"**Dollar Amount**" means (a) with respect to any Loan denominated in Dollars, the principal amount thereof, (b) with respect to any Loan denominated in an Alternative Currency, the principal amount thereof then outstanding in the relevant Alternative Currency, converted into Dollars in accordance with Section 1.10(1), (c) with respect to any L/C Obligation denominated in Dollars, the amount thereof, (d) with respect to any L/C Obligation denominated in an Alternative Currency, the amount thereof converted to Dollars in accordance with Section 1.10(1) and (e) with respect to any Basket denominated (x) in Dollars, the amount thereof and (y) in any currency other than Dollars, the amount thereof converted to Dollars in accordance with Sections 1.10(3).

"**Domestic Subsidiary**" means any direct or indirect Subsidiary that is organized under the Laws of the United States, any state thereof or the District of Columbia.

"**ECF Percentage**" has the meaning specified in Section 2.05(2)(a).

"**Eligible Assignee**" means any Person that meets the requirements to be an assignee under Section 10.07(b), *provided* that no Defaulting Lender(s) or Disqualified Institution(s) may be Eligible Assignee(s).

"**EMU Legislation**" means the legislative measures of the European Council for the introduction of, changeover to or operation of a single or unified European currency.

"**Enterprise Transformative Event**" means any merger, acquisition, Investment, dissolution, liquidation, consolidation or disposition, in any such case by the Borrower, any Restricted Subsidiary, Holdings or any Parent Company (other than the Investors) that is either (a) not permitted by the terms of any Loan Document immediately prior to the consummation of such transaction or (b) if permitted by the terms of the Loan Documents immediately prior to the consummation of such transaction, would not provide Holdings, the Borrower and its Restricted Subsidiaries with adequate flexibility under the Loan Documents for the continuation or expansion of their combined operations following such consummation, as reasonably determined by the Borrower acting in good faith.

"**Environment**" means ambient air, indoor air, surface water, groundwater, drinking water, soil, surface and sub-surface strata, and natural resources such as wetlands, flora and fauna.

"**Environmental Claim**" means any and all administrative, regulatory or judicial actions, suits , demands, demand letters, claims, liens, notices of noncompliance or violation, investigations (other than internal reports prepared by any Loan Party or any of its Subsidiaries (a) in the ordinary course of such Person's business or (b) as required in connection with a financing transaction or an acquisition or disposition of real estate) or proceedings with respect to any Environmental Liability or Environmental Law, (hereinafter "Claims"), including (i) any and all Claims by governmental or regulatory authorities for enforcement, cleanup, removal, response, remedial or other actions or damages pursuant to any Environmental Law and (ii) any and all claims by any third party seeking damages, contribution, indemnification, cost recovery, compensation or injunctive relief pursuant to any Environmental Law.

"**Environmental Laws**" means any and all Laws relating to pollution or the protection of the Environment or, to the extent relating to exposure to Hazardous Materials, human health.

"**Environmental Liability**" means any liability (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities) directly or indirectly resulting from or relating to (a) any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the Release or threatened Release of any Hazardous Materials or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"**Environmental Permit**" means any permit, approval, identification number, license or other authorization required under any Environmental Law.

"**Equal Priority Intercreditor Agreement**" means (a) an intercreditor agreement substantially in the form of Exhibit G-1 among the Administrative Agent or the Collateral Agent and one or more Debt Representatives for holders of one or more classes of applicable Permitted Incremental Equivalent Debt, Pari Passu Lien Debt or Permitted Equal Priority Refinancing Debt or (b) a customary intercreditor agreement in form and substance reasonably acceptable to the Administrative Agent, the Borrower and one or more of such Debt Representatives, in each case with such modifications thereto as the Administrative Agent, the Borrower and such Debt Representative(s) may agree.

"**Equity Contribution**" means, collectively, the direct or indirect contribution to the Borrower or any Parent Company, by the Investors, members of management of the Acquired Company and the Co-Investors of an aggregate amount of cash and rollover equity in the form of equity of the Borrower (which, if contributed in exchange for preferred equity of the Borrower shall be on terms reasonably satisfactory to the Arrangers) that represents not less than 30.0% of the sum of (i) the aggregate principal amount of Closing Date Term Loans borrowed hereunder on the Closing Date, (ii) the aggregate principal amount of the Senior Notes issued on the Closing Date, (iii) the aggregate amount of Indebtedness for borrowed money of Life Time and its Subsidiaries that survives the consummation of the Transactions (including any Existing Mortgage Debt) and (iv) the amount of such cash and rollover equity contributed, in each case, on the Closing Date (*provided* that the Investors shall directly or indirectly control not less than a majority of the economic and voting Equity Interests in Holdings on the Closing Date after giving effect to the Transactions).

"**Equity Interests**" means, with respect to any Person, the Capital Stock of such Person and all warrants, options or other rights to acquire Capital Stock of such Person, but excluding any debt security that is convertible into, or exchangeable for, Capital Stock of such Person.

"**Equity Offering**" means any public or private sale of common stock or Preferred Stock of the Borrower or any Parent Company (excluding Disqualified Stock), other than:

(1) public offerings with respect to the Borrower's or any Parent Company's common stock registered on Form S-4 or Form S-8;

(2) issuances to any Restricted Subsidiary of the Borrower; and

(3) any such public or private sale that constitutes an Excluded Contribution.

"**Equivalent Percentage**" means, with respect to any dollar amount, such percentage of TTMRun-Rate Adjusted EBITDA as such dollar amount represents of Run-Rate Adjusted EBITDA of the Borrower for the four quarters ended March 31, 2015, rounded up to the nearest one tenth of 1%. For purposes of calculating Equivalent Percentage and otherwise under this Agreement, Run-Rate Adjusted EBITDA of the Borrower for the four quarters ended March 31, 2015 shall be deemed to be $395.0 million.

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"**ERISA Affiliate**" means any trade or business (whether or not incorporated) that together with any Loan Party is treated as a single employer within the meaning of Section 414 of the Code or Section 4001 of ERISA.

"**ERISA Event**" means (a) a Reportable Event with respect to a Pension Plan; (b) a withdrawal by any Loan Party or any of their respective ERISA Affiliates from a Pension Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations that is treated as a termination under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by any Loan Party or any of their respective ERISA Affiliates from a Multiemployer Plan, written notification of any Loan Party or any of their respective ERISA Affiliates concerning the imposition of withdrawal liability or written notification that a Multiemployer Plan is "insolvent" (within the meaning of Section 4245 of ERISA) or has been determined to be in "endangered" or "critical" status (within the meaning of Section 432 of the Code or Section 305 of ERISA); (d) the filing under Section 4041(c) of ERISA of a notice of intent to terminate a Pension Plan, the treatment of a Pension Plan or Multiemployer Plan amendment as a termination under Sections 4041 or 4041A of ERISA, or the commencement in writing of proceedings by the PBGC to terminate a Pension Plan or Multiemployer Plan; (e) the imposition of any liability under Title IV of ERISA with respect to the termination of any Pension Plan or Multiemployer Plan, other than for the payment of plan contributions or PBGC premiums due but not delinquent under Section 4007 of ERISA, upon any Loan Party or any of their respective ERISA Affiliates; (f) an event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan or Multiemployer Plan; (g) a failure to satisfy the minimum funding standard (within the meaning of Section 302 of ERISA or Section 412 of the Code) with respect to a Pension Plan, whether or not waived; (h) the application for a minimum funding waiver under Section 302(c) of ERISA with respect to a Pension Plan; (i) the imposition of a lien under Section 303(k) of ERISA or Section 412(c) of the Code with respect to any Pension Plan; (j) a determination that any Pension Plan is in "at risk" status (within the meaning of Section 303 of ERISA or Section 430 of the Code); or (k) the occurrence of a nonexempt prohibited transaction with respect to any Pension Plan maintained or contributed to by any Loan Party or any of their respective ERISA Affiliates (within the meaning of Section 4975 of the Code or Section 406 of ERISA) which could result in liability to any Loan Party.

"**Euro**" or "**euro**" means the single currency of participating member states of the EMU.

"**Eurodollar Rate**" means:

(a) for any Interest Period with respect to a Eurodollar Rate Loan, the rate per annum equal to (i) the ICE LIBOR Rate ("ICE LIBOR"), as published on the applicable Bloomberg screen page (or such other commercially available source providing quotations of ICE LIBOR as may be designated by the Administrative Agent from time to time) at approximately 11:00 a.m., London time, two (2) Business Days prior to the commencement of such Interest Period, for Dollar deposits (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period or (ii) if such rate is not available at such time for any reason, the rate per annum determined by the Administrative Agent to be the rate at which deposits in Dollars for delivery on the first day of such Interest Period in Same Day Funds in the approximate amount of the Eurodollar Rate Loan being made, continued or converted and with a term equivalent to such Interest Period would be offered by the Administrative Agent's London Branch to major banks in the London interbank eurodollar market at their request at approximately 11:00 a.m., London time, two (2) Business Days prior to the commencement of such Interest Period; and

(b) for any interest calculation with respect to a Base Rate Loan on any date, the rate per annum equal to (i) ICE LIBOR, at approximately 11:00 a.m., London time, determined two (2) Business Days prior to such date for Dollar deposits being delivered in the London interbank market for a term of one month commencing that day or (ii) if such published rate is not available at such time for any reason, the rate per annum determined by the Administrative Agent to be the rate at which deposits in Dollars for delivery on the date of determination in Same Day Funds in the approximate amount of the Base Rate Loan being made or maintained and with a term equal to one month would be offered by the Administrative Agent's London Branch to major banks in the London interbank eurodollar market at their request at the date and time of determination;

provided that in no event shall (x) the Eurodollar Rate for the Closing Date Term Loans that bear interest at a rate based on clauses (a) and (b) of this definition be less than 1.00% or (y) the Eurodollar Rate for Revolving Loans that bear interest at a rate based on clauses (a) and (b) of this definition be less than 0%.

"**Eurodollar Rate Loan**" means a Loan that bears interest at a rate based on clause (a) of the definition of "Eurodollar Rate."

"**Event of Default**" has the meaning specified in Section 8.01.

"**Excess Cash Flow**" means, for any period, an amount equal to the excess of:

(1) the sum, without duplication, of:

(a) Consolidated Net Income of the Borrower for such period,

(b) an amount equal to the amount of all non-cash charges (including depreciation and amortization) for such period to the extent deducted in arriving at such Consolidated Net Income, but excluding any such non-cash charges representing an accrual or reserve for potential cash items in any future period and excluding amortization of a prepaid cash item that was paid in a prior period,

(c) decreases in Consolidated Working Capital (except as a result of the reclassification of items from short-term to long-term or vice versa) for such period,

(d) [reserved];

(e) the amount deducted as tax expense in determining Consolidated Net Income to the extent in excess of cash taxes paid in such period and

(f) cash receipts in respect of Hedge Agreements during such fiscal year to the extent not otherwise included in such Consolidated Net Income; over

(2) the sum, without duplication, of:

(a) an amount equal to the amount of all non-cash credits (including, to the extent constituting non-cash credits, amortization of deferred revenue acquired as a result of the Merger or any Permitted Acquisition or other investment permitted hereunder) included in arriving at such Consolidated Net Income (but excluding any non-cash credit to the extent representing the reversal of an accrual or reserve described in clause (1)(b) above) and cash losses, charges (including any reserves or accruals for potential cash charges in any future period), expenses, costs and fees excluded by virtue of clauses (1) through (15) of the definition of "Consolidated Net Income,"

(b) without duplication of amounts deducted pursuant to clause (k) below in prior fiscal years, the amount of Capital Expenditures, Capitalized Software Expenditures or

acquisitions of intellectual property accrued or made in cash during such period, in each case except to the extent financed with the proceeds of Funded Debt (other than any Indebtedness under any revolving credit facilities) of the Borrower or any Restricted Subsidiary (unless such Indebtedness has been repaid),

(c) the aggregate amount of all principal payments of Indebtedness of the Borrower and the Restricted Subsidiaries (including (i) the principal component of payments in respect of Capitalized Lease Obligations, (ii) all scheduled principal repayments of Loans, the Senior Notes (or any Indebtedness representing Refinancing Indebtedness in respect thereof in accordance with the corresponding provisions of the governing documentation thereof), Permitted Incremental Equivalent Debt and Credit Agreement Refinancing Indebtedness, in each case to the extent such payments are permitted hereunder and actually made and (iii) the amount of any scheduled repayment of Term Loans pursuant to Section 2.07 and mandatory prepayment of Term Loans pursuant to Section 2.05(2)(b) or 2.05(2)(c), any mandatory Discharge of the Senior Notes pursuant to Section 4.10(d) of the Senior Notes Indenture (or any Indebtedness representing Refinancing Indebtedness in respect thereof in accordance with the corresponding provisions of the governing documentation thereof) and any mandatory Discharge of Permitted Incremental Equivalent Debt or Credit Agreement Refinancing Indebtedness pursuant to the corresponding provisions of the governing documentation thereof, in each case, to the extent required due to an Asset Sale or Casualty Event that resulted in an increase to Consolidated Net Income for such period and not in excess of the amount of such increase, but excluding (x) all other prepayments of Term Loans, (y) all prepayments of Revolving Loans and Swing Line Loans and all prepayments in respect of any other revolving credit facility, except to the extent there is an equivalent permanent reduction in commitments thereunder and (z) payments on any Subordinated Indebtedness, except in each case to the extent permitted to be paid pursuant to Section 7.05) made during such period, in each case, except to the extent financed with the proceeds of Funded Debt (other than any Indebtedness under any revolving credit facilities) of the Borrower or any Restricted Subsidiary (unless such Indebtedness has been repaid),

(d) [Reserved];

(e) increases in Consolidated Working Capital (except as a result of the reclassification of items from short-term to long-term or vice versa) for such period,

(f) cash payments by the Borrower and the Restricted Subsidiaries during such period in respect of long-term liabilities of the Borrower and the Restricted Subsidiaries (other than Indebtedness) to the extent such payments are not expensed during such period or are not deducted in calculating Consolidated Net Income,

(g) without duplication of amounts deducted pursuant to clauses (h) and (i) below in prior fiscal years, the amount of cash consideration paid by the Borrower and the Restricted Subsidiaries (on a consolidated basis) in connection with investments made during such period (including Permitted Acquisitions, investments constituting Permitted Investments and investments or made pursuant to Section 7.05), except to the extent such investments were financed with the proceeds of Funded Debt (other than any Indebtedness under any revolving credit facilities) of the Borrower or any Restricted Subsidiary,

(h) the amount of Restricted Payments paid in cash during such period (other than Restricted Payments made pursuant to Section 7.05(b)(15)), except to the extent such Restricted Payments were financed with the proceeds of Funded Debt (other than any Indebtedness under any revolving credit facilities) of the Borrower or any Restricted Subsidiary (unless such Indebtedness has been repaid),

(i) the aggregate amount of expenditures (to the extent not funded with the proceeds of Funded Debt (other than any Indebtedness under any revolving credit facilities)) actually made by the Borrower and the Restricted Subsidiaries in cash during such period (including expenditures for the payment of financing fees) to the extent that such expenditures are not expensed during such period or are not deducted in calculating Consolidated Net Income,

(j) the aggregate amount of any premium, make-whole or penalty payments actually paid in cash by Holdings, the Borrower and the Restricted Subsidiaries during such period that are made in connection with any prepayment or redemption of Indebtedness to the extent such payments are not expensed during such period or are not deducted in calculating Consolidated Net Income and such payments reduced Excess Cash Flow pursuant to clause (2)(c) above or reduced the mandatory prepayment required by Section 2.05(2)(a),

(k) without duplication of amounts deducted from Excess Cash Flow in other periods, and at the option of the Borrower, (1) the aggregate consideration required to be paid in cash by the Borrower or any of its Restricted Subsidiaries pursuant to binding contracts (the "**Contract Consideration**") entered into prior to or during such period and (2) any planned cash expenditures by the Borrower or any of its Restricted Subsidiaries (the "**Planned Expenditures**"), in the case of each of the preceding clauses (1) and (2), relating to Permitted Acquisitions or other investments, Capital Expenditures, Restricted Payments, any scheduled payment of Indebtedness that was permitted by the terms of this Agreement to be incurred and paid or permitted tax distributions, in each case, to be consummated or made, as applicable, during the period of four consecutive fiscal quarters of the Borrower following the end of such period (except to the extent financed with any of the proceeds received from (A) the issuance or incurrence of long-term Indebtedness (other than any Indebtedness under any revolving credit facilities) or (B) the issuance of Equity Interests); *provided* that to the extent that the aggregate amount of cash actually utilized to finance such Permitted Acquisitions or other investments, Capital Expenditures, Restricted Payments, permitted scheduled payments of Indebtedness that were permitted by the terms of this Agreement to be incurred and paid or permitted tax distributions during such following period of four consecutive fiscal quarters is less than the Contract Consideration and Planned Expenditures, the amount of such shortfall shall be added to the calculation of Excess Cash Flow, at the end of such period of four consecutive fiscal quarters,

(l) the amount of cash taxes (including penalties and interest) paid or tax reserves set aside or payable (without duplication) in such period *plus* the amount of distributions with respect to taxes made in such period under Section 7.05(b)(14) to the extent they exceed the amount of tax expense deducted in determining Consolidated Net Income for such period,

(m) cash expenditures in respect of Hedging Obligations during such fiscal year to the extent not deducted in arriving at such Consolidated Net Income,

(n) any fees, expenses or charges incurred during such period (including the Transaction Expenses), or any amortization thereof for such period, in connection with any acquisition, investment, disposition, incurrence or repayment of Indebtedness, issuance of Equity Interests, refinancing transaction or amendment or modification of any debt instrument (including any amendment or other modification of this Agreement, the other Loan Documents, the Senior Notes Indenture and related documents) and including, in each case, any such transaction consummated prior to the Closing Date and any such transaction undertaken but not completed, and any charges or non-recurring merger costs incurred during such period as a result of any such transaction, in each case whether or not successful, and

(o) at the option of the Borrower, any amounts in respect of investments (including Permitted Acquisitions, Investments constituting Permitted Investments and Investments made pursuant to Section 7.05) and Restricted Payments (including related earnouts and similar payments) which could have been deducted pursuant to clauses (g) or (h) above if made in such period, but which are made after the end of such period and prior to the date upon which a mandatory prepayment for such period would be required under Section 2.05(2)(a) (which amounts shall not affect the calculation of Excess Cash Flow in any future period).

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder.

"**Exchange Rate**" means on any day with respect to any Alternative Currency, the rate at which such currency may be exchanged into Dollars, as set forth at approximately 11:00 a.m. (London time) on such day on the Reuters World Currency Page for such currency; in the event that such rate does not appear on any Reuters World Currency Page, the Exchange Rate shall be determined by reference to such other publicly available service for displaying exchange rates as may be agreed upon by the Administrative Agent and the Borrower, or, in the absence of such agreement, such Exchange Rate shall instead be the arithmetic average of the spot rates of exchange of the Administrative Agent in the market where its foreign currency exchange operations in respect of such Alternative Currency are then being conducted, at or about 10:00 a.m. (New York City time) on such date for the purchase of Dollars for delivery two Business Days later.

"**Excluded Assets**" has the meaning given to such term in the Security Agreement.

"**Excluded Contribution**" means net cash proceeds or the fair market value of marketable securities or the fair market value of Qualified Proceeds received by the Borrower from:

(1) contributions to its common equity capital;

(2) dividends, distributions, fees and other payments from any joint ventures that are not Restricted Subsidiaries; and

(3) the sale (other than to a Restricted Subsidiary of the Borrower or to any management equity plan or stock option plan or any other management or employee benefit plan or agreement of the Borrower) of Capital Stock (other than Disqualified Stock and Designated Preferred Stock) of the Borrower;

in each case, other than an exercise of the cure right set forth in Section 8.04, designated as Excluded Contributions pursuant to an Officer's Certificate and that are excluded from the calculation set forth in clause (3) of Section 7.05(a).

"**Excluded Proceeds**" means, with respect to any Asset Sale or Casualty Event, the sum of (1) any Net Proceeds therefrom that are not, at the time of realization or receipt thereof, required to be applied to prepay Term Loans pursuant to Section 2.05(2)(b) as a result of the Disposition Percentage being less than 100%, (2) any Net Proceeds therefrom that constitute Declined Proceeds and (3) any Net Proceeds therefrom that otherwise are waived by the Required Facility Lenders from the requirement to be applied to prepay the applicable Term Loans pursuant to Section 2.05(2)(b).

"**Excluded Subsidiaries**" means all of the following and "**Excluded Subsidiary**" means any of them:

(1) any Subsidiary that is not a direct, wholly owned Subsidiary of the Borrower or a Subsidiary Guarantor,

(2) any Foreign Subsidiary,

(3) any CFC Holdco,

(4) any Domestic Subsidiary that is a Subsidiary of any (i) Foreign Subsidiary, (ii) CFC or (iii) CFC Holdco,

(5) any Subsidiary (including any regulated entity that is subject to net worth or net capital or similar capital and surplus restrictions) that is prohibited or restricted by applicable Law, accounting policies or by Contractual Obligation existing on the Closing Date (or, with respect to any Subsidiary

acquired by the Borrower or a Restricted Subsidiary after the Closing Date (and so long as such Contractual Obligation was not incurred in contemplation of such acquisition), on the date such Subsidiary is so acquired) from providing a Guaranty, or if such Guaranty would require governmental (including regulatory) or third party (other than a Loan Party) consent, approval, license or authorization

(6) any special purpose securitization vehicle (or similar entity) or any Securitization Subsidiary,

(7) any Captive Insurance Subsidiary or not-for-profit Subsidiary,

(8) any Subsidiary that is not a Material Subsidiary,

(9) any Subsidiary with respect to which, in the reasonable judgment of the Administrative Agent and the Borrower, the burden or cost (including any adverse tax consequences) of providing the Guaranty will outweigh the benefits to be obtained by the Lenders therefrom,

(10) any special purpose entity formed for the primary purpose to hold a leasehold interest in real property that is subject to a Sale-Leaseback Transaction that and has no other activities other than those incidental to holding such leasehold interest, including Healthy Way of Life I, LLC, Healthy Way of Life II, LLC, Healthy Way of Life III, LLC and any successors or assigns thereof, and any such special purpose tenant entities formed in connection with any Specified Sale-Leaseback Transactions, and

(11) any Unrestricted Subsidiary.

"**Excluded Swap Obligation**" means, with respect to any Loan Party, any obligation (a "**Swap Obligation**") to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of Section 1a(47) of the Commodity Exchange Act, if, and to the extent that, all or a portion of the guarantee of such Loan Party of, or the grant by such Loan Party of a security interest to secure, such Swap Obligation (or any guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Loan Party's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act (determined after giving effect to Section 2.07 of the Guaranty and any other "keepwell, support or other agreement" for the benefit of such Loan Party for all purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act) at the time the Guaranty of such Loan Party, or a grant by such Loan Party of a security interest, becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such Guaranty or security interest becomes illegal.

"**Excluded Taxes**" means, with respect to each Agent and each Lender,

(1) any tax on such Agent or Lender's net income or profits (or franchise tax in lieu of such tax on net income or profits) imposed by a jurisdiction as a result of such Agent or Lender being organized or having its principal office or applicable Lending Office located in such jurisdiction or as a result of any other present or former connection between such Agent or Lender and the jurisdiction (including as a result of such Agent or Lender carrying on a trade or business, having a permanent establishment or being a resident for tax purposes in such jurisdiction, other than a connection arising solely from such Agent or Lender having executed, delivered, enforced, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to, or sold or assigned an interest in, any Loan or Loan Document),

(2) any branch profits tax under Section 884(a) of the Code, or any similar tax, imposed by any other jurisdiction described in clause (1),

(3) other than with respect to any Lender that becomes a party hereto pursuant to the Borrower's request under Section 3.07, any U.S. federal withholding tax that is imposed on amounts payable to a Lender pursuant to a Law in effect at the time such Lender becomes a party hereto (or designates a new Lending Office) (or where the Lender is a partnership for U.S. federal income tax purposes, pursuant to a law in effect on the later of the date on which such Lender becomes a party hereto or the date on which the affected partner becomes a partner of such Lender or designates a new Lending Office), except, in the case of a Lender or partner that designates a new Lending Office or is an assignee, to the extent that such Lender or partner (or its assignor, if any) was entitled, immediately prior to the time of designation of a new Lending Office (or assignment), to receive additional amounts from a Loan Party with respect to such U.S. federal withholding tax pursuant to Section 3.01,

(4) any withholding tax attributable to a Lender's failure to comply with Section 3.01(3),

(5) any tax imposed under FATCA and

(6) any interest, additions to taxes and penalties with respect to any taxes described in clauses (1) through (5) of this definition.

"**Existing Credit Agreement**" means that certain Third Amended and Restated Credit Agreement, dated as of June 30, 2011, by and among the Acquired Company, certain of its Subsidiaries from time to time party thereto, U.S. Bank National Association, as agent, and the lenders and other parties from time to time party thereto, as amended, restated, supplemented or otherwise modified from time to time.

"**Existing Letter of Credit**" has the meaning specified in Section 2.03(8).

"**Existing Mortgage Debt**" means (i) the Loan Agreement dated as of January 28, 2014 between LTF Real Estate CMBS II, LLC and Wells Fargo Bank, National Association, (ii) the Promissory Note, dated as of February 12, 2013 between LTF Real Estate MP I, LLC and ING Life Insurance and Annuity Company, (iii) the Promissory Note, dated as of August 23, 2013 between LTF Real Estate MP II, LLC and ING Life Insurance and Annuity Company, and (iv) the Promissory Note, dated as of July 29, 2014 between LTF Real Estate MP III, LLC and ING Life Insurance and Annuity Company.

"**Expiring Credit Commitment**" has the meaning specified in Section 2.04(7).

"**Extended Commitments**" means, collectively, Extended Revolving Commitments and Extended Term Commitments.

"**Extended Loans**" means, collectively, Extended Revolving Loans and Extended Term Loans.

"**Extended Revolving Commitments**" means the Revolving Commitments held by an Extending Lender.

"**Extended Revolving Loans**" means the Revolving Loans made pursuant to Extended Revolving Commitments.

"**Extended Term Commitments**" means the Term Loan Commitments held by an Extending Lender.

"**Extended Term Loans**" means the Term Loans made pursuant to Extended Term Commitments.

"**Extending Lender**" means each Lender accepting an Extension Offer.

"**Extension**" has the meaning specified in Section 2.16(1).

"**Extension Amendment**" has the meaning specified in Section 2.16(2).

"**Extension Offer**" has the meaning specified in Section 2.16(1).

"**Facilities**" means the Closing Date Term Loans, the Revolving Facility, the Swing Line Facility, any Extended Term Loans, any Extended Revolving Commitments and Extended Revolving Loans, any Refinancing Term Loans or Refinancing Revolving Loans, any Incremental Term Loans or Incremental Revolving Commitments or any Replacement Loans, as the context may require, and "**Facility**" means any of them.

"**fair market value**" means, with respect to any asset or liability, the fair market value of such asset or liability as determined by the Borrower in good faith.

"**FATCA**" means Sections 1471 through 1474 of the Code as in effect on the date hereof or any amended or successor version thereof that is substantively comparable and not materially more onerous to comply with (and, in each case, any regulations promulgated thereunder or official interpretations thereof), and any agreements entered into pursuant to Section 1471(b)(1) of the Code, and any intergovernmental agreements (together with any law implementing such agreements).

"**FCPA**" has the meaning specified in Section 5.17.

"**Federal Funds Rate**" means, for any day, the rate per annum equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank on the Business Day next succeeding such day; *provided* that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to the Administrative Agent on such day on such transactions as determined by the Administrative Agent.

"**Fee Letter**" means that certain Amended and Restated Fee Letter, dated as of April 3, 2015, by and among Merger Sub, DB, Goldman Sachs, Jefferies, BMO, RBC, Macquarie, Nomura, Mizuho and US Bank, as amended, restated, amended and restated, supplemented or otherwise modified from time to time in accordance with the terms thereof.

"**Financial Covenant**" means the covenant specified in Section 7.12(a).

"**Financial Covenant Cross Default**" has the meaning specified in Section 8.01(2).

"**Financial Covenant Event of Default**" has the meaning specified in Section 8.01(2).

"**Financial Officer**" means, with respect to a Person, the chief financial officer, accounting officer, treasurer, controller or other senior financial or accounting officer of such Person, as appropriate.

"**First Lien Net Leverage Ratio**" means, with respect to any Test Period, the ratio of (a) Consolidated Total Debt outstanding as of the last day of such Test Period that is secured by a Lien that is *pari passu* in priority with the Liens securing the Obligations, *plus*, Existing Mortgage Debt and Capitalized Lease Obligations or any Refinancing Indebtedness thereof (other than property or assets held in a defeasance or similar trust or arrangement (including escrow arrangements) solely for the benefit of the Indebtedness secured thereby), *minus,* the aggregate amount of cash and Cash Equivalents included in the consolidated balance sheet of the Borrower as of such date, excluding cash and Cash Equivalents that are listed as "Restricted" on such balance sheet to (b) Run-Rate Adjusted EBITDA of the Borrower for such Test Period, in each case on a pro formabasis with such pro forma adjustments as are appropriate and consistent with Section 1.07.

"**Fixed Charge Coverage Ratio**" means, with respect to any Test Period, the ratio of(1) Run-Rate Adjusted EBITDA of the Borrower for such Test Period to (2) Fixed Charges of the Borrower for such Test Period, in each case on a *pro forma* basis with such *pro forma* adjustments as are appropriate and consistent with Section 1.07.

"**Fixed Charges**" means, with respect to any Person for any period, the sum of, without duplication:

(1) Consolidated Interest Expense of such Person for such period;

(2) all cash dividends or other cash distributions paid (excluding items eliminated in consolidation) on any series of Preferred Stock during such period; and

(3) all cash dividends or other cash distributions paid (excluding items eliminated in consolidation) on any series of Disqualified Stock during such period.

"**Fixed Incremental Amount**" has the meaning specified in the definition of "Permitted Incremental Amount".

"**Flood Insurance Laws**" means, collectively, (i) the National Flood Insurance Act of 1968 as now or hereafter in effect or any successor statute thereto, (ii) the Flood Disaster Protection Act of 1973 as now or hereafter in effect or any successor statute thereto, (iii) the National Flood Insurance Reform Act of 1994 as now or hereafter in effect or any successor statute thereto and (iv) the Flood Insurance Reform Act of 2004 as now or hereafter in effect or any successor statute thereto.

"**floor**" means, with respect to any reference rate of interest, any fixed minimum amount specified for such rate.

"**Foreign Asset Sale**" has the meaning specified in Section 2.05(2)(h).

"**Foreign Casualty Event**" has the meaning specified in Section 2.05(2)(h).

"**Foreign Lender**" means a Lender that is not a United States person within the meaning of Section 7701(a)(30) of the Code.

"**Foreign Plan**" means any material employee benefit plan, program or agreement maintained or contributed to by, or entered into with, the Borrower or any Subsidiary of the Borrower with respect to employees employed outside the United States (other than benefit plans, programs or agreements that are mandated by applicable Laws).

"**Foreign Sale-Leaseback**" has the meaning specified in Section 2.05(2)(h).

"**Foreign Subsidiary**" means any direct or indirect Restricted Subsidiary of the Borrower that is not a Domestic Subsidiary.

"**Fronting Exposure**" means, at any time there is a Defaulting Lender (a) with respect to an L/C Borrowing, such Defaulting Lender's Pro Rata Share or other applicable share provided under this Agreement of the outstanding L/C Obligations other than L/C Obligations as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof and (b) with respect to the Swing Line Lender, such Defaulting Lender's Pro Rata Share or other applicable share provided under this Agreement of Swing Line Loans other than Swing Line Loans as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof.

"**Fund**" means any Person (other than a natural person) that is primarily engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its activities.

"**Funded Debt**" means all Indebtedness of the Borrower and the Restricted Subsidiaries for borrowed money that matures more than one year from the date of its creation or matures within one year from such

date that is renewable or extendable, at the option of such Person, to a date more than one year from such date or arises under a revolving credit or similar agreement that obligates the lender or lenders to extend credit during a period of more than one year from such date, including Indebtedness in respect of the Loans.

"**GAAP**" means generally accepted accounting principles in the United States of America set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession, as in effect from time to time. At any time after the Closing Date, the Borrower may elect to apply IFRS accounting principles in lieu of GAAP and, upon any such election, references herein to GAAP will thereafter be construed to mean IFRS (except as otherwise provided in this Agreement); *provided*, *however*, that any such election, once made, will be irrevocable;*provided further* that any calculation or determination in this Agreement that requires the application of GAAP for periods that include fiscal quarters ended prior to the Borrower's election to apply IFRS will remain as previously calculated or determined in accordance with GAAP. The Borrower will give notice of any such election made in accordance with this definition to the Administrative Agent. Notwithstanding any other provision contained herein the amount of any Indebtedness under GAAP with respect to Capitalized Lease Obligations and Attributable Indebtedness shall be determined in accordance with the definition of Capitalized Lease Obligations and Attributable Indebtedness, respectively.

Notwithstanding the foregoing, if at any time any change occurring after the Closing Date in GAAP (or IFRS) or in the application thereof on the computation of any financial ratio or financial requirement, or compliance with any covenant, set forth in any Loan Document, and the Borrower shall so request (regardless of whether any such request is given before or after such change), the Administrative Agent, the Lenders and the Borrower will negotiate in good faith to amend (subject to the approval of the Required Lenders) such ratio, requirement or covenant to preserve the original intent thereof in light of such change in GAAP (or IFRS); provided further that until so amended, (a) such ratio, requirement or covenant shall continue to be computed in accordance with GAAP prior to such change therein and (b) the Borrower shall provide to the Administrative Agent and the Lenders financial statements and other documents required under this Agreement which include a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

"**Goldman Sachs**" means Goldman Sachs Bank USA.

"**Governmental Authority**" means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"**Granting Lender**" has the meaning specified in Section 10.07(g).

"**guarantee**" means a guarantee (other than by endorsement of negotiable instruments for collection in the ordinary course of business or consistent with industry practice), direct or indirect, in any manner (including letters of credit and reimbursement agreements in respect thereof), of all or any part of any Indebtedness or other obligations.

"**Guarantee**" means, as to any Person, without duplication, (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness or other monetary obligation payable or performable by another Person (the "**primary obligor**") in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other monetary obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness or other monetary obligation of the payment or performance of such Indebtedness or other monetary obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other monetary obligation or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness or other monetary obligation of the payment or performance thereof or to protect such obligee

against loss in respect thereof (in whole or in part) or (b) any Lien on any assets of such Person securing any Indebtedness or other monetary obligation of any other Person, whether or not such Indebtedness or other monetary obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Indebtedness to obtain any such Lien); *provided* that the term "Guarantee" shall not include endorsements for collection or deposit, in either case in the ordinary course of business, or customary and reasonable indemnity obligations in effect on the Closing Date or entered into in connection with any acquisition or disposition of assets permitted under this Agreement (other than such obligations with respect to Indebtedness). The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term "Guarantee" as a verb has a corresponding meaning.

"**Guarantor**" has the meaning specified in clause (2) of the definition of "Collateral and Guarantee Requirement." For avoidance of doubt, the Borrower may, in its sole discretion, cause any domestic Parent Company or Restricted Subsidiary that is not required to be a Guarantor to Guarantee the Obligations by causing such Parent Company or Restricted Subsidiary to execute a joinder to the Guaranty (substantially in the form provided therein or as the Administrative Agent, the Borrower and such Guarantor may otherwise agree), and any such Parent Company or Restricted Subsidiary shall be a Guarantor hereunder for all purposes.

"**Guaranty**" means (a) the Guarantee of the Obligations by the Guarantors substantially in the form of Exhibit E, (b) each other Guarantee and Guarantee supplement delivered pursuant to Section 6.11 and (c) each other Guarantee and Guarantee supplement delivered by any Parent Company or Restricted Subsidiary pursuant to the second sentence of the definition of "Guarantor".

"**Hazardous Materials**" means all explosive or radioactive substances or wastes, and all other substances, wastes, pollutants and contaminants and chemicals in any form, including petroleum or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas and infectious or medical wastes, to the extent any of the foregoing are regulated pursuant to, or can form the basis for liability under, any Environmental Law.

"**Hedge Agreement**" means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement or any other master agreement (any such master agreement, together with any related schedules, a "**Master Agreement**"), including any such obligations or liabilities under any Master Agreement.

"**Hedge Bank**" means any Person party to a Secured Hedge Agreement that is an Agent, a Lender, an Arranger or an Affiliate of any of the foregoing on the Closing Date or at the time it enters into such Secured Hedge Agreement, in its capacity as a party thereto, whether or not such Person subsequently ceases to be an Agent, a Lender, an Arranger or an Affiliate of any of the foregoing.

"**Hedging Obligations**" means, with respect to any Person, the obligations of such Person under any Hedge Agreement. For the avoidance of doubt, any Permitted Convertible Indebtedness Call Transaction will not constitute Hedging Obligations.

"**Holdings**" has the meaning specified in the introductory paragraph to this Agreement.

"**Honor Date**" has the meaning specified in Section 2.03(3)(a).

"**Identified Participating Lenders**" has the meaning specified in Section 2.05(1)(e)(C)(3).

"**Identified Qualifying Lenders**" has the meaning specified in Section 2.05(1)(e)(D)(3).

"**IFRS**" means international financial reporting standards and interpretations issued by the International Accounting Standards Board or any successor thereto (or the Financial Accounting Standards Board, the Accounting Principles Board of the American Institute of Certified Public Accountants or any successor to either such Board, or the SEC, as the case may be), as in effect from time to time.

"**Immediate Family Members**" means with respect to any individual, such individual's child, stepchild, grandchild or more remote descendant, parent, stepparent, grandparent, spouse, former spouse, qualified domestic partner, sibling, mother-in-law, father-in-law, son-in-law and daughter-in-law (including, in each case, adoptive relationships) and any trust, partnership or other bona fide estate-planning vehicle the only beneficiaries of which are any of the foregoing individuals or any private foundation or fund that is controlled by any of the foregoing individuals or any donor-advised fund of which any such individual is the donor.

"**Incremental Amendment**" has the meaning specified in Section 2.14(5).

"**Incremental Amounts**" has the meaning specified in clause (1) of the definition of Refinancing Indebtedness.

"**Incremental Commitment**" means any Incremental Commitment or Incremental Revolving Commitment."

"**Incremental Facility**" has the meaning specified in Section 2.14(1).

"**Incremental Loan**" has the meaning specified in Section 2.14(1).

"**Incremental Revolving Commitment**" means the commitment of a Lender to make or otherwise fund an Incremental Revolving Loan and "Incremental Revolving Commitments" means such commitments of all Lenders in the aggregate.

"**Incremental Revolving Facility**" has the meaning specified in Section 2.14(1).

"**Incremental Revolving Lender**" has the meaning specified in Section 2.14(9)(a).

"**Incremental Revolving Loan**" has the meaning specified in Section 2.14(1).

"**Incremental Term Facility**" has the meaning specified in Section 2.14(1).

"**Incremental Term Loan**" has the meaning specified in Section 2.14(1).

"**Incremental Term Loan Commitment**" means the commitment of a Lender to make or otherwise fund an Incremental Term Loan and "Incremental Term Loan Commitments" means such commitments of all Lenders in the aggregate.

"**Incremental Term Loan Exposure**" means, with respect to any Lender, as of any date of determination, the outstanding principal amount of the Incremental Term Loans of such Lenders; *provided* that at any time prior to the making of the Incremental Term Loans, the Incremental Term Loan Exposure of any Lender shall be equal to such Lender's Incremental Term Loan Commitment.

"**Indebtedness**" means, with respect to any Person, without duplication:

(1) any indebtedness (including principal and premium) of such Person, whether or not contingent:

(a) in respect of borrowed money;

(b) evidenced by bonds, notes, debentures or similar instruments or letters of credit or bankers' acceptances (or, without duplication, reimbursement agreements in respect thereof);

(c) representing the balance deferred and unpaid of the purchase price of any property (including Capitalized Lease Obligations) due more than twelve months after such property is acquired, except (i) any such balance that constitutes an obligation in respect of a commercial letter of credit, a trade payable or similar obligation to a trade creditor, in each case accrued in the ordinary course of business or consistent with industry practice, (ii) any earn-out obligations until such obligation is reflected as a liability on the balance sheet (excluding any footnotes thereto) of such Person in accordance with GAAP and is not paid within 60 days after becoming due and payable and (iii) accruals for payroll and other liabilities accrued in the ordinary course of business; or

(d) representing the net obligations under any Hedging Obligations;

if and to the extent that any of the foregoing Indebtedness (other than obligations in respect of letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet (excluding the footnotes thereto) of such Person prepared in accordance with GAAP; *provided* that Indebtedness of any Parent Company appearing upon the balance sheet of the Borrower solely by reason of push-down accounting under GAAP will be excluded;

(2) to the extent not otherwise included, any obligation by such Person to be liable for, or to pay, as obligor, guarantor or otherwise, on the obligations of the type referred to in clause (1) of a third Person (whether or not such items would appear upon the balance sheet of such obligor or guarantor), other than by endorsement of negotiable instruments for collection in the ordinary course of business or consistent with industry practice; and

(3) to the extent not otherwise included, the obligations of the type referred to in clause (1) of a third Person secured by a Lien on any asset owned by such first Person, whether or not such Indebtedness is assumed by such first Person; *provided* that the amount of such Indebtedness will be the lesser of (i) the fair market value of such asset at such date of determination and (ii) the amount of such Indebtedness of such other Person; *provided* that notwithstanding the foregoing, Indebtedness will be deemed not to include:

(i) Contingent Obligations incurred in the ordinary course of business or consistent with industry practice,

(ii) reimbursement obligations under commercial letters of credit (*provided* that unreimbursed amounts under letters of credit will be counted as Indebtedness three (3) Business Days after such amount is drawn),

(iii) obligations under or in respect of Qualified Securitization Facilities,

(iv) accrued expenses,

(v) deferred or prepaid revenues, and

(vi) asset retirement obligations and obligations in respect of reclamation and workers compensation (including pensions and retiree medical care);

provided further that Indebtedness will be calculated without giving effect to the effects of Accounting Standards Codification Topic No. 815, *Derivatives and Hedging*, and related interpretations to the extent such effects would otherwise increase or decrease an amount of Indebtedness for any purpose under this Agreement as a result of accounting for any embedded derivatives created by the terms of such Indebtedness.

"**Indemnified Liabilities**" has the meaning specified in Section 10.05.

"**Indemnitees**" has the meaning specified in Section 10.05.

"**Independent Assets or Operations**" means, with respect to any Parent Company, that Parent Company's' total assets, revenues, income from continuing operations before income taxes and cash flows from operating activities (excluding in each case amounts related to its investment in the Borrower and the Restricted Subsidiaries), determined in accordance with GAAP and as shown on the most recent balance sheet of such Parent Company, is more than 3.0% of such Parent Company's corresponding consolidated amount.

"**Independent Financial Advisor**" means an accounting, appraisal, investment banking firm or consultant of nationally recognized standing that, in the good faith judgment of the Borrower, is qualified to perform the task for which it has been engaged.

"**Information**" has the meaning specified in Section 10.09.

"**Initial Borrower**" has the meaning specified in the introductory paragraph to this Agreement.

"**Initial Loans**" means the Closing Date Loans and any Incremental Loans that are treated as the same Class.

"**Intellectual Property Security Agreements**" has the meaning specified in the Security Agreement.

"**Intercompany Subordination Agreement**" means the Intercompany Subordination Agreement, dated as of the Closing Date, substantially in the form of Exhibit Q executed by the Borrower and each Restricted Subsidiary of that is party thereto.

"**Intercreditor Agreement**" means any Equal Priority Intercreditor Agreement(s) or Junior Lien Intercreditor Agreement(s) that may be executed from time to time.

"**Interest Payment Date**" means, (a) as to any Loan of any Class other than a Base Rate Loan (other than any Swing Line Loan), the last day of each Interest Period applicable to such Loan and the applicable Maturity Date of the Loans of such Class; *provided* that if any Interest Period for a Eurodollar Rate Loan or a CDOR Loan exceeds three months, the respective dates that fall every three months after the beginning of such Interest Period shall also be Interest Payment Dates; (b) as to any Base Rate Loan (other than any Swing Line Loan) of any Class, the last Business Day of each March, June, September and December and the applicable Maturity Date of the Loans of such Class; and (c) as to any Swing Line Loan, the last Business Day of any calendar month or, if any Event of Default has occurred and is continuing, upon demand of the Swing Line Lender.

"**Interest Period**" means, as to each Eurodollar Rate Loan or any CDOR Loan, the period commencing on the date such Eurodollar Rate Loan or CDOR Loan is disbursed or converted to or continued as a Eurodollar Rate Loan or CDOR Loan and ending on the date one, two, three or six months thereafter, or to the extent consented to by each applicable Lender, twelve months (or such period of less than one month as may be consented to by each applicable Lender), as selected by the Borrower in its Committed Loan Notice; *provided* that:

(1) any Interest Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless such Business Day falls in another calendar month, in which case such Interest Period shall end on the immediately preceding Business Day;

(2) any Interest Period (other than an Interest Period having a duration of less than one month) that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period; and

(3) no Interest Period shall extend beyond the applicable Maturity Date for the Class of Loans of which such Eurodollar Rate Loan or CDOR Loan is a part.

"**Investment Grade Rating**" means a rating equal to or higher than Baa3 (or the equivalent) by Moody's or BBB- (or the equivalent) by S&P, or an equivalent rating by any other Rating Agency selected by the Borrower.

"**Investment Grade Securities**" means:

(1) securities issued or directly and fully guaranteed or insured by the United States government or any agency or instrumentality thereof (other than Cash Equivalents);

(2) debt securities or debt instruments with an Investment Grade Rating, but excluding any debt securities or debt instruments constituting loans or advances among the Borrower and its Subsidiaries;

(3) investments in any fund that invests at least 95% of its assets in investments of the type described in clauses (1) and (2) which fund may also hold immaterial amounts of cash pending investment or distribution; and

(4) corresponding instruments in countries other than the United States customarily utilized for high quality investments.

"**Investments**" means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of loans (including guarantees), advances or capital contributions (excluding accounts receivable, credit card and debit card receivables, trade credit, advances to customers, commission, travel and similar advances to employees, directors, officers, members of management, manufacturers and consultants, in each case made in the ordinary course of business or consistent with industry practice), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities issued by any other Person. For purposes of the definition of "Unrestricted Subsidiary" and Section 7.05,

(1) "Investments" will include the portion (proportionate to the Borrower's Equity Interest in such Subsidiary) of the fair market value of the net assets of a Subsidiary of the Borrower at the time that such Subsidiary is designated an Unrestricted Subsidiary; *provided* that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Borrower will be deemed to continue to have a permanent "Investment" in an Unrestricted Subsidiary in an amount (if positive) equal to:

(a) the Borrower's "Investment" in such Subsidiary at the time of such redesignation;*minus*

(b) the portion (proportionate to the Borrower's Equity Interest in such Subsidiary) of the fair market value of the net assets of such Subsidiary at the time of such redesignation; and

(2) any property transferred to or from an Unrestricted Subsidiary will be valued at its fair market value at the time of such transfer.

The amount of any Investment outstanding at any time will be the original cost of such Investment, reduced by any dividend, distribution, interest payment, return of capital, repayment or other amount received in cash by the Borrower or a Restricted Subsidiary in respect of such Investment.

"**Investor**" means any of Leonard Green & Partners, L.P. ("**LGP**") and TPG Capital, L.P. ("**TPG**") and any of their respective Affiliates and funds or partnerships managed or advised by any of them or any of their respective Affiliates but not including, however, any portfolio company of any of the foregoing.

"**IP Rights**" has the meaning specified in Section 5.15.

"**IRS**" means Internal Revenue Service of the United States.

"**ISP**" means, with respect to any Letter of Credit, the "International Standby Practices 1998" published by the Institute of International Banking Law & Practice, Inc. (or such later version thereof as may be in effect at the time of issuance).

"**Issuing Bank**" means US Bank, in its capacity as an issuer of Letters of Credit hereunder (including the Existing Letters of Credit), together with its permitted successors and assigns and any other Revolving Lender that becomes an Issuing Bank in accordance with Section 2.03(12).

"**Issuing Bank Document**" means with respect to any Letter of Credit, the L/C Application, and any other document, agreement and instrument entered into by any Issuing Bank and the Borrower (or any of its Subsidiaries) or in favor of such Issuing Bank and relating to such Letter of Credit.

"**Jefferies**" means Jefferies Finance LLC.

"**Judgment Currency**" has the meaning specified in Section 10.26.

"**Junior Financing**" means, collectively (1) Subordinated Indebtedness, (2) Junior Lien Debt and (3) any unsecured Indebtedness.

"**Junior Financing Documentation**" means any documentation governing any Junior Financing.

"**Junior Lien Debt**" has the meaning specified in clause (39) of the definition of Permitted Liens.

"**Junior Lien Intercreditor Agreement**" means (a) an intercreditor agreement substantially in the form of Exhibit G-2 among the Administrative Agent or the Collateral Agent and one or more Debt Representatives for holders of one or more classes of applicable one or more classes of applicable Incremental Loans, Permitted Incremental Equivalent Debt, Junior Lien Debt or Permitted Junior Priority Refinancing Debt or (b) a customary intercreditor agreement in form and substance reasonably acceptable to the Administrative Agent, the Borrower and one or more of such Debt Representatives, in each case with such modifications thereto as the Administrative Agent, the Borrower and such Debt Representative(s) may agree.

"**L/C Advance**" means, with respect to each Revolving Lender, such Lender's funding of its participation in any L/C Borrowing in accordance with its Pro Rata Share or other applicable share provided for under this Agreement.

"**L/C Application**" means an application and agreement for the issuance or amendment of a Letter of Credit in the form from time to time in use by the relevant Issuing Bank.

"**L/C Borrowing**" means an extension of credit resulting from a drawing under any Letter of Credit which has not been reimbursed on the date when made or refinanced as a Revolving Borrowing.

"**L/C Credit Extension**" means, with respect to any Letter of Credit, the issuance thereof or extension of the expiry date thereof, or the renewal or increase of the amount thereof.

"**L/C Expiration Date**" means the day that is five (5) Business Days prior to the scheduled Maturity Date then in effect for the applicable Revolving Facility (or, if such day is not a Business Day, the next preceding Business Day).

"**L/C Obligations**" means, as at any date of determination, the aggregate amount available to be drawn under all outstanding Letters of Credit *plus* the aggregate of all Unreimbursed Amounts, including all L/C Borrowings. For purposes of computing the amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be the stated amount thereof in effect at such time. For all purposes of this Agreement, if on any date of determination a Letter of Credit has expired by its terms but any amount may still be drawn thereunder by reason of the operation of Rule 3.14 of the ISP, such Letter of Credit shall be deemed to be "outstanding" in the amount so remaining available to be drawn.

"**L/C Sublimit**" means a Dollar Amount equal to the lesser of (a) $50.0 million and (b) the aggregate amount of the Revolving Commitments. The L/C Sublimit is part of, and not in addition to, the Revolving Facility.

"**Latest Maturity Date**" means, at any date of determination, the latest maturity or expiration date applicable to any Loan or Commitment hereunder at such time, including the latest maturity or expiration date of any Incremental Loan, any Refinancing Term Loan, any Refinancing Revolving Loan, any Extended Term Loan or any Extended Revolving Commitment, in each case as extended in accordance with this Agreement from time to time.

"**Laws**" means, collectively, all international, foreign, federal, state and local laws (including common law), statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities and executive orders, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority.

"**Legal Holiday**" means Saturday, Sunday or a day on which commercial banking institutions are not required to be open in the State of New York or at the place of payment.

"**Lender**" has the meaning specified in the introductory paragraph to this Agreement and, as context requires, includes any Issuing Bank, the Swing Line Lender and their respective successors and assigns as permitted hereunder, each of which is referred to herein as a "Lender." For avoidance of doubt, each Additional Lender is a Lender to the extent any such Person has executed and delivered a Refinancing Amendment, an Incremental Amendment or an amendment in respect of Replacement Loans, as the case may be, and to the extent such Refinancing Amendment, Incremental Amendment or amendment in respect of Replacement Loans shall have become effective in accordance with the terms hereof and thereof, and each Extending Lender shall continue to be a Lender. As of the Closing Date, Schedule 2.01 sets forth the name of each Lender. Notwithstanding the foregoing, no Disqualified Institution that purports to become a Lender hereunder (notwithstanding the provisions of this Agreement that prohibit Disqualified Institutions from becoming Lenders) shall be entitled to any of the rights or privileges enjoyed by the other Lenders with respect to voting, information and lender meetings; *provided* that if any assignment or participation is made to any Disqualified Institution without the Borrower's prior written consent in violation of clause (v) of Section 10.07(b) the Borrower may, at its sole expense and effort, upon notice to the applicable Disqualified Institution and the Administrative Agent, (A) terminate any Revolving Commitment of such Disqualified Institution and repay all obligations of the Borrower owing to such Disqualified Institution in connection with such Revolving Commitment, (B) in the case of outstanding Term Loans held by Disqualified Institutions, purchase or prepay such Term Loan by paying the lesser of (x) the principal amount thereof and (y) the amount that such Disqualified Institution paid to acquire such Term Loans, in each case plus accrued interest, accrued fees and all other amounts (other than principal amounts) payable to it hereunder and/or (C) require such Disqualified Institution to assign, without recourse (in accordance with and subject to the restrictions contained in Section 10.07), all of its interest, rights and obligations under this Agreement to one or more Eligible Assignees at the lesser of (x) the principal amount thereof and (y) the amount that such Disqualified Institution paid to acquire such interests, rights and obligations, in each case plus accrued interest, accrued fees and all other amounts (other than principal amounts) payable to it hereunder.

"**Lending Office**" means, as to any Lender, the office or offices of such Lender described as such in such Lender's Administrative Questionnaire, or such other office or offices as a Lender may from time to time notify the Borrower and the Administrative Agent.

"**Letter of Credit**" means any letter of credit issued hereunder, including Existing Letters of Credit. A Letter of Credit may be a commercial letter of credit or a standby letter of credit; *provided*, *however*, that any commercial letter of credit issued hereunder shall provide solely for cash payment upon presentation of a sight draft.

"**LIBOR**" has the meaning specified in the definition of "Eurodollar Rate."

"**Lien**" means, with respect to any asset, any mortgage, lien (statutory or otherwise), pledge, hypothecation, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction; *provided* that in no event will an operating lease be deemed to constitute a Lien.

"**Life Time**" has the meaning specified in the preliminary statements of this Agreement.

"**Limited Condition Acquisition**" means any (1) Permitted Acquisition or other investment permitted hereunder by the Borrower or one or more of its Restricted Subsidiaries whose consummation is not conditioned on the availability of, or on obtaining, third-party financing and (2) repayment, repurchase or Refinancing of Indebtedness with respect to which an irrevocable notice of repayment (or similar irrevocable notice) is delivered.

"**Loan**" means an extension of credit under Article II by a Lender (x) to the Borrower in the form of a Term Loan, (y) to the Borrower in the form of a Revolving Loan or (z) to the Borrower in the form of a Swing Line Loan.

"**Loan Documents**" means, collectively, (a) this Agreement, (b) the Notes, (c) any Refinancing Amendment, Incremental Amendment, Extension Amendment or amendment in respect of Replacement Loans, (d) the Guaranty, (e) the Collateral Documents, (f) the Intercreditor Agreements and (g) each L/C Application.

"**Loan Parties**" means, collectively, (a) Holdings, (b) the Borrower and (c) each Subsidiary Guarantor.

"**Macquarie**" means, collectively, Macquarie Capital and Macquarie Lender.

"**Macquarie Capital**" means Macquarie Capital (USA) Inc.

"**Macquarie Lender**" means MIHI LLC.

"**Management Services Agreement**" means the management services agreement or similar agreements among one or more of the Investors or certain of their respective management companies associated with it or their advisors, if applicable, and the Borrower (or any Parent Company).

"**Management Stockholders**" means the members of management (and their Controlled Investment Affiliates and Immediate Family Members and any permitted transferees thereof) of the Borrower (or a Parent Company) who are holders of Equity Interests of any Parent Company on the Closing Date or will become holders of such Equity Interests in connection with the Transactions.

"**Mandatory Swing Line Borrowing**" has the meaning set forth in Section 2.04(3)(a).

"**Margin Stock**" has the meaning set forth in Regulation U of the Board of Governors of the United States Federal Reserve System, or any successor thereto.

"**Market Capitalization**" means an amount equal to (i) the total number of issued and outstanding shares of common Equity Interests of the Borrower or the applicable Parent Company, as applicable, on the date of

the declaration of a Restricted Payment permitted pursuant to Section 7.05(b)(8) *multiplied by* (ii) the arithmetic mean of the closing prices per share of such common Equity Interests on the principal securities exchange on which such common Equity Interests are traded for the 30 consecutive trading days immediately preceding the date of declaration of such Restricted Payment.

"**Material Adverse Effect**" means any event, circumstance or condition that has had a materially adverse effect on (a) the business, operations, assets or financial condition of the Borrower and its Subsidiaries, taken as a whole, (b) the ability of the Loan Parties (taken as a whole) to perform their payment obligations under the Loan Documents or (c) the rights and remedies of the Lenders, the Collateral Agent or the Administrative Agent under the Loan Documents.

"**Material Domestic Subsidiary**" means, as of the Closing Date and thereafter at any date of determination, each of the Borrower's Domestic Subsidiaries that is a Restricted Subsidiary (a) whose Total Assets at the last day of the most recent Test Period (when taken together with the Total Assets of the Restricted Subsidiaries of such Domestic Subsidiary at the last day of the most recent Test Period) were equal to or greater than 5.0% of Total Assets of the Borrower and the Restricted Subsidiaries that are Domestic Subsidiaries at such date or (b) whose gross revenues for such Test Period (when taken together with the gross revenues of the Restricted Subsidiaries of such Domestic Subsidiary for such Test Period) were equal to or greater than 5.0% of the consolidated gross revenues of the Borrower and the Restricted Subsidiaries that are Domestic Subsidiaries for such Test Period, in each case determined in accordance with GAAP; *provided* that if at any time and from time to time after the date which is 30 days after the Closing Date (or such longer period as the Administrative Agent may agree in its sole discretion), Domestic Subsidiaries that are not Guarantors solely because they do not meet the thresholds set forth in the preceding clause (a) or (b) comprise in the aggregate more than (when taken together with the Total Assets of the Restricted Subsidiaries of such Domestic Subsidiaries at the last day of the most recent Test Period) 7.5% of Total Assets of the Borrower and the Restricted Subsidiaries that are Domestic Subsidiaries as of the end of the most recently ended Test Period or more than (when taken together with the gross revenues of the Restricted Subsidiaries of such Domestic Subsidiaries for such Test Period) 7.5% of the consolidated gross revenues of the Borrower and the Restricted Subsidiaries that are Domestic Subsidiaries for such Test Period, then the Borrower shall, not later than sixty (60) days after the date by which financial statements for such Test Period were required to be delivered pursuant to this Agreement (or such longer period as the Administrative Agent may agree in its reasonable discretion), (i) designate in writing to the Administrative Agent one or more of such Domestic Subsidiaries that are Restricted Subsidiaries as "Material Domestic Subsidiaries" to the extent required such that the foregoing condition ceases to be true and (ii) comply with the provisions of Section 6.11 with respect to any such Subsidiaries. At all times prior to the delivery of the aforementioned financial statements, such determinations shall be made based on the Pro Forma Financial Statements.

"**Material Foreign Subsidiary**" means, as of the Closing Date and thereafter at any date of determination, each of the Borrower's Foreign Subsidiaries that are Restricted Subsidiaries (a) whose Total Assets at the last day of the most recent Test Period (when taken together with the Total Assets of the Restricted Subsidiaries of such Foreign Subsidiary at the last day of the most recent Test Period) were equal to or greater than 5.0% of Total Assets of the Restricted Subsidiaries that are Foreign Subsidiaries at such date or (b) whose gross revenues for such Test Period (when taken together with the revenues of the Restricted Subsidiaries of such Foreign Subsidiary for such Test Period) were equal to or greater than 5.0% of the consolidated gross revenues of the Restricted Subsidiaries that are Foreign Subsidiaries for such Test Period, in each case determined in accordance with GAAP; *provided* that if at any time and from time to time after the date which is 30 days after the Closing Date (or such longer period as the Administrative Agent may agree in its sole discretion), Foreign Subsidiaries that are not Material Foreign Subsidiaries comprise in the aggregate more than (when taken together with the Total Assets of the Restricted Subsidiaries of such Foreign Subsidiaries at the last day of the most recent Test Period) 7.5% of Total Assets of the Restricted Subsidiaries that are Foreign Subsidiaries as of the end of the most recently ended Test Period or more than (when taken together with the gross revenues of the Restricted Subsidiaries of such Foreign Subsidiaries for such Test Period) 7.5% of the consolidated gross revenues of the Restricted Subsidiaries that are Foreign Subsidiaries for such Test Period, then the Borrower shall, not later than sixty (60) days after the date by which financial statements for such Test Period were required to be delivered pursuant to this Agreement (or such longer period as the Administrative Agent may agree in its reasonable discretion), designate in writing to the Administrative Agent one or more of such Foreign Subsidiaries that are Restricted Subsidiaries as "Material Foreign Subsidiaries" to the extent required such that the foregoing condition ceases to be true. At all times prior to the delivery of the aforementioned financial statements, such determinations shall be made based on the Pro Forma Financial Statements.

"**Material Real Property**" means any fee-owned real property located in the United States and owned by any Loan Party (i) with a fair market value in excess of $7.5 million on the Closing Date (if owned by a Loan Party on the Closing Date) or at the time of acquisition (if acquired by a Loan Party after the Closing Date) and (ii) which is improved with a facility owned by any Loan Party that is open for commercial operations; *provided* that for the avoidance of doubt, Material Real Property will not include any Excluded Assets.

"**Material Subsidiary**" means any Material Domestic Subsidiary or any Material Foreign Subsidiary.

"**Maturity Date**" means (i) with respect to the Closing Date Term Loans, in each case that have not been extended pursuant to Section 2.16, the date that is seven years after the Closing Date, (ii) with respect to the Revolving Loans, the date that is five years after the Closing Date, (iii) with respect to any tranche of Extended Term Loans or Extended Revolving Commitments, the final maturity date as specified in the applicable Extension Amendment, (iv) with respect to any Refinancing Term Loans or Refinancing Revolving Loans, the final maturity date as specified in the applicable Refinancing Amendment and (v) with respect to any Incremental Term Loans, the final maturity date as specified in the applicable Incremental Amendment; *provided* that in each case, if such day is not a Business Day, the applicable Maturity Date shall be the Business Day immediately succeeding such day.

"**Maximum Rate**" has the meaning specified in Section 10.11.

"**Merger**" has the meaning specified in the preliminary statements to this Agreement.

"**Mizuho**" means Mizuho Bank, Ltd.

"**Moody's**" means Moody's Investors Service, Inc. and any successor to its rating agency business.

"**Mortgage Policies**" has the meaning specified in Section 6.11(2)(b)(ii).

"**Mortgaged Properties**" has the meaning specified in paragraph (5) of the definition of "Collateral and Guarantee Requirement."

"**Mortgages**" means collectively, the deeds of trust, trust deeds, hypothecs, deeds to secure debt and mortgages made by the Loan Parties in favor or for the benefit of the Collateral Agent for the benefit of the Secured Parties in form and substance reasonably satisfactory to the Collateral Agent, including such modifications as may be required by local laws, pursuant to Section 6.13(2) and any other deeds of trust, trust deeds, hypothecs, deeds to secure debt or mortgages executed and delivered pursuant to Sections 6.11.

"**Multiemployer Plan**" means any multiemployer plan as defined in Section 4001(a)(3) of ERISA and subject to Title IV of ERISA, to which any Loan Party or any of their respective ERISA Affiliates makes or is obligated to make contributions, or during the preceding five plan years, has made or been obligated to make contributions.

"**Net Income**" means, with respect to any Person, the net income (loss) of such Person, determined in accordance with GAAP and before any reduction in respect of Preferred Stock dividends.

"**Net Proceeds**" means:

(1) with respect to any Asset Sale or any Casualty Event, the aggregate Cash Equivalent proceeds received by the Borrower or any Restricted Subsidiary in respect of any Asset Sale or Casualty Event, including any Cash Equivalents received upon the sale or other disposition of any Designated Non-Cash Consideration received in any Asset Sale, net of the costs relating to such Asset Sale or Casualty

Event and the sale or disposition of such Designated Non-Cash Consideration, including legal, accounting and investment banking fees, payments made in order to obtain a necessary consent or required by applicable law, brokerage and sales commissions, all dividends, distributions or other payments required to be made to minority interest holders in Restricted Subsidiaries as a result of any such Asset Sale or Casualty Event by a Restricted Subsidiary, the amount of any purchase price or similar adjustment claimed by any Person to be owed by the Borrower or any Restricted Subsidiary, until such time as such claim will have been settled or otherwise finally resolved, or paid or payable by the Borrower or any Restricted Subsidiary, in either case in respect of such Asset Sale or Casualty Event, any relocation expenses incurred as a result thereof, costs and expenses in connection with unwinding any Hedging Obligation in connection therewith, other fees and expenses, including title and recordation expenses, taxes paid or payable as a result thereof or any transactions occurring or deemed to occur to effectuate a payment under this Agreement, amounts required to be applied to the repayment of principal, premium, if any, and interest on Indebtedness (other than Subordinated Indebtedness) or amounts required to be applied to the repayments of Indebtedness secured by a Lien on such assets and required (other than required by Section 2.05(2)(b) to be paid as a result of such transaction and any deduction of appropriate amounts to be provided by the Borrower or any Restricted Subsidiary as a reserve in accordance with GAAP against any liabilities associated with the asset disposed of in such transaction and retained by the Borrower or any Restricted Subsidiary after such sale or other disposition thereof, including pension and other post-employment benefit liabilities and liabilities related to environmental matters or against any indemnification obligations associated with such transaction; *provided* that (a) subject to clause (b) below, no net cash proceeds calculated in accordance with the foregoing realized in a single transaction or series of related transactions shall constitute Net Proceeds unless such net cash proceeds shall exceed $10.0 million and (b) no such net cash proceeds shall constitute Net Proceeds under this clause (1) in any fiscal year until the aggregate amount of all such net cash proceeds in such fiscal year shall exceed $20.0 million (and thereafter only net cash proceeds in excess of such amount shall constitute Net Proceeds under this clause (1)); and

(2) (a) with respect to the incurrence or issuance of any Indebtedness by the Borrower or any Restricted Subsidiary or any Permitted Equity Issuance by the Borrower or any Parent Company, the excess, if any, of (i) the sum of the cash and Cash Equivalents received in connection with such incurrence or issuance over (ii) all taxes paid or reasonably estimated to be payable, and all fees (including investment banking fees, attorneys' fees, accountants' fees, underwriting fees and discounts), commissions, costs and other out-of-pocket expenses and other customary expenses incurred, in each case by the Borrower or such Restricted Subsidiary in connection with such incurrence or issuance and (b) with respect to any Permitted Equity Issuance by any Parent Company, the amount of cash from such Permitted Equity Issuance contributed to the capital of the Borrower;

provided that "Net Proceeds" shall not include, or apply to, the proceeds of the sale component of any Sale-Leaseback Transaction, although proceeds from Specified Sale-Leaseback Transactions shall be governed by the definition of "Specified Sale-Leaseback Net Proceeds".

"**New Facility**" means each new fitness center, club or exercise facility opened by the Borrower or a Restricted Subsidiary that has been open for commercial operations for less than two full calendar years.

"**New Facility EBITDA Adjustment**" means, for each New Facility, only to the extent it is a positive number:

(1) the product of (a) Average Return on Invested Capital and (b) to the extent it is a positive number, the aggregate amount of capital expenditures invested in such New Facility as of the facility opening date, less the net cash proceeds received for such New Facility from any Sale-Leaseback Transactions on or prior to such determination date, *minus*

(2) the actual Adjusted EBITDA of such New Facility for such period.

"**Nomura**" means Nomura Securities International, Inc.

"**Non-Consenting Lender**" has the meaning specified in Section 3.07.

"**Non-Defaulting Lender**" means, at any time, a Lender that is not a Defaulting Lender.

"**Non-Expiring Credit Commitment**" has the meaning specified in Section 2.04(7).

"**Non-Excluded Taxes**" means all Taxes other than Excluded Taxes imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document.

"**Non-Extension Notice Date**" has the meaning specified in Section 2.03(2)(c).

"**Non-Loan Party**" means any Subsidiary of the Borrower that is not a Loan Party.

"**Non-Recourse Indebtedness**" means Indebtedness that is non-recourse to the Borrower and the Restricted Subsidiaries.

"**Note**" means a Term Note, Revolving Note or Swing Line Note, as the context may require.

"**Notice of Intent to Cure**" has the meaning specified in Section 6.02(1).

"**Obligations**" means all

(1) advances to, and debts, liabilities, obligations, covenants and duties of, any Loan Party arising under any Loan Document or otherwise with respect to any Loan or Letter of Credit, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Loan Party of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding,

(2) obligations (other than Excluded Swap Obligations) of any Loan Party arising under any Secured Hedge Agreement and

(3) Cash Management Obligations under each Secured Cash Management Agreement. Without limiting the generality of the foregoing, the Obligations of the Loan Parties under the Loan Documents (and any of their Subsidiaries to the extent they have obligations under the Loan Documents) include the obligation (including guarantee obligations) to pay principal, interest, reimbursement obligations, charges, expenses, fees (including Letter of Credit fees), Attorney Costs, indemnities and other amounts payable by any Loan Party under any Loan Document.

Notwithstanding the foregoing, (a) unless otherwise agreed to by the Borrower and any applicable Hedge Bank or Cash Management Bank, the obligations of Holdings, the Borrower or any Subsidiary under any Secured Hedge Agreement and under any Secured Cash Management Agreement shall be secured and guaranteed pursuant to the Collateral Documents and the Guaranty only to the extent that, and for so long as, the other Obligations are so secured and guaranteed and (b) any release of Collateral or Guarantors effected in the manner permitted by this Agreement and any other Loan Document shall not require the consent of the holders of Hedging Obligations under Secured Hedge Agreements or of the holders of Cash Management Obligations under Secured Cash Management Agreements.

"**Offered Amount**" has the meaning specified in Section 2.05(1)(e)(D)(1).

"**Offered Discount**" has the meaning specified in Section 2.05(1)(e)(D)(1).

"**Officer**" means the Chairman of the Board of Directors, the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer, the President, any Executive Vice President, Senior Vice President or Vice President, the Treasurer or the Secretary of the Borrower or any other Person, as the case may be.

"**Officer's Certificate**" means a certificate signed on behalf of a Person by an Officer of such Person.

"**OID**" means original issue discount.

"**Opinion of Counsel**" means a written opinion from legal counsel who is reasonably acceptable to the Administrative Agent. Counsel may be an employee of or counsel to the Borrower or the Administrative Agent.

"**ordinary course of business**" means activity conducted in the ordinary course of business of the Borrower and any Restricted Subsidiary, including the expansion, remodeling, acquisition, modernization, construction, improvement and repair of facilities (including fitness centers) operated, or expected to be operated, by the Borrower or a Restricted Subsidiary, and financing transactions in connection therewith, and will include Sale-Leaseback Transactions.

"**Organizational Documents**" means

(1) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction);

(2) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement; and

(3) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

"**Other Applicable ECF**" means Excess Cash Flow or a comparable measure as determined in accordance with the documentation governing Other Applicable Indebtedness.

"**Other Applicable Indebtedness**" means Permitted Incremental Equivalent Debt and Credit Agreement Refinancing Indebtedness secured on a *pari passu* basis with the Obligations, together with Refinancing Indebtedness in respect of any of the foregoing that is secured on a*pari passu* basis with the Obligations.

"**Other Applicable Net Proceeds**" means Net Proceeds or a comparable measure as determined in accordance with the documentation governing Other Applicable Indebtedness.

"**Other Taxes**" means any and all present or future stamp or documentary Taxes, intangible, recording, filing, excise (that is not based on net income), property or similar Taxes arising from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document.

"**Outstanding Amount**" means (a) with respect to the Term Loans, Revolving Loans and Swing Line Loans on any date, the outstanding principal Dollar Amount thereof after giving effect to any borrowings and prepayments or repayments of Term Loans, Revolving Loans (including any refinancing of outstanding Unreimbursed Amounts under Letters of Credit or L/C Credit Extensions as a Revolving Borrowing) and Swing Line Loans, as the case may be, occurring on such date; and (b) with respect to any L/C Obligations on any date, the outstanding principal Dollar Amount thereof on such date after giving effect to any related L/C Credit Extension occurring on such date and any other changes thereto as of such date, including as a result of any reimbursements of outstanding Unreimbursed Amounts under related Letters of Credit (including any refinancing of outstanding Unreimbursed Amounts under related Letters of Credit or related L/C Credit Extensions as a Revolving Borrowing) or any reductions in the maximum amount available for drawing under related Letters of Credit taking effect on such date.

"**Overnight Rate**" means, for any day, (i) with respect to any amount denominated in Dollars, the greater of (a) the Federal Funds Rate and (b) an overnight rate determined by the Administrative Agent, an Issuing Bank or the Swing Line Lender, as applicable, in accordance with banking industry rules on interbank compensation and (ii) with respect to any amount denominated in any Available Currency other than Dollars, the rate of interest per annum at which overnight deposits in such Available Currency, in an amount approximately equal to the amount with respect to which such rate is being determined, would be offered for such day by a branch or Affiliate of the Administrative Agent in the applicable offshore interbank market for such Available Currency to major banks in such interbank market.

"**Parent Company**" means any Person so long as such Person directly or indirectly holds 100.0% of the total voting power of the Capital Stock of the Borrower, and at the time such Person acquired such voting power, no Person and no group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act or any successor provision), including any such group acting for the purpose of acquiring, holding or disposing of securities (within the meaning of Rule 13d-5(b)(1) under the Exchange Act) (other than any Permitted Holder), will have beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act, or any successor provision), directly or indirectly, of 50.0% or more of the total voting power of the Voting Stock of such Person.

"**Pari Passu Lien Debt**" has the meaning specified in clause (39) of the definition of "Permitted Liens".

"**Participant**" has the meaning specified in Section 10.07(d).

"**Participant Register**" has the meaning specified in Section 10.07(e).

"**Participating Lender**" has the meaning specified in Section 2.05(1)(e)(C)(2).

"**Participating Member State**" means each state so described in any EMU Legislation.

"**PBGC**" means the Pension Benefit Guaranty Corporation.

"**Pension Plan**" means any "employee pension benefit plan" (as such term is defined in Section 3(2) of ERISA), other than a Multiemployer Plan, that is subject to Title IV of ERISA and is sponsored or maintained by any Loan Party or any of their respective ERISA Affiliates or to which any Loan Party or any of their respective ERISA Affiliates contributes or has an obligation to contribute, or in the case of a multiple employer or other plan described in Section 4064(a) of ERISA, has made contributions at any time in the preceding five plan years.

"**Perfection Certificate**" has the meaning specified in the Security Agreement.

"**Permitted Acquisition**" has the meaning specified in clause (3) of the definition of "Permitted Investments."

"**Permitted Asset Swap**" means the substantially concurrent purchase and sale or exchange of Related Business Assets or a combination of Related Business Assets and cash or Cash Equivalents between the Borrower or any Restricted Subsidiary and another Person; *provided* that any cash or Cash Equivalents received must be applied in accordance with Section 2.05(2)(b)(i).

"**Permitted Bond Hedge Transaction**" means any call or capped call option (or substantively equivalent derivative transaction) on the Borrower's common stock purchased by the Borrower in connection with the issuance of any Convertible Indebtedness; *provided* that the purchase price for such Permitted Bond Hedge Transaction, less the proceeds received by the Borrower from the sale of any related Permitted Warrant Transaction, does not exceed the net proceeds received by the Borrower from the sale of such Convertible Indebtedness issued in connection with the Permitted Bond Hedge Transaction.

"**Permitted Convertible Indebtedness Call Transaction**" means any Permitted Bond Hedge Transaction and any Permitted Warrant Transaction.

"**Permitted Equal Priority Refinancing Debt**" means any Credit Agreement Refinancing Indebtedness that is secured on a *pari passu* basis with the Closing Date Loans and the Closing Date Revolving Facility.

"**Permitted Equity Issuance**" means any sale or issuance of any Qualified Equity Interests of the Borrower or any Parent Company.

"**Permitted Holder**" means (1) any of the Investors, Co-Investors and Management Stockholders and any group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act) of which any of the foregoing are members; *provided* that in the case of such group and without giving effect to the existence of such group or any other group, such Investors, Co-Investors and Management Stockholders, collectively, have beneficial ownership of more than 50.0% of the total voting power of the Voting Stock of the Borrower or any Permitted Parent, (2) any Person acting in the capacity of an underwriter (solely to the extent that and for so long as such Person is acting in such capacity) in connection with a public or private offering of Capital Stock of the Borrower or any Permitted Parent.

"**Permitted Incremental Amount**" means the sum of:

(1) (a) the greater of (i) $400,000,000 and (ii) the Borrower's Run-Rate Adjusted EBITDA for the most recently ended Test Period, *minus* (b) the aggregate amount of all Permitted Incremental Equivalent Debt previously incurred in reliance on this clause (1), *plus* (c) the aggregate principal amount of any prepayments of Term Loans (in the case of Term Loans consisting of Incremental Term Loans (or any Refinancing thereof) solely to the extent incurred in reliance on this clause (1)) made pursuant to Section 2.05(1) and voluntary prepayments of Permitted Incremental Equivalent Debt incurred in reliance on this clause (1), in each case to the extent not funded with the proceeds of Funded Debt (the "**Fixed Incremental Amount**" and Indebtedness incurred using the Fixed Incremental Amount, "**Fixed Incremental Amount Indebtedness**"), *plus*

(2) such additional amount (the "**Ratio Amount**" and Indebtedness incurred using the Ratio Amount, "**Ratio Amount Indebtedness**") that would not result in:

(a) with regard to Indebtedness secured on a *pari passu* basis with the Closing Date Term Loans, the Borrower's First Lien Net Leverage Ratio exceeding 4.00 to 1.00,

(b) with regard to Indebtedness secured on a junior lien basis to the Closing Date Term Loans, the Borrower's Total Net Leverage Ratio exceeding 5.10 to 1.00 or

(c) with regard to Indebtedness that is unsecured, the Borrower's (i) Total Net Leverage Ratio exceeding 5.10 to 1.00 or (ii) Fixed Charge Coverage Ratio being less than 2.00 to 1.00;

in each case, determined as of the most recently ended Test Period and on a *pro forma* basis in accordance with Section 1.07 (assuming in the case of any Incremental Revolving Commitments, a full drawing of such Revolving Commitments) and including a *pro forma* application of the net proceeds therefrom (excluding for netting purposes the cash proceeds of any then proposed Ratio Amount Indebtedness), as if the additional Indebtedness incurred pursuant to this clause (2) had been incurred and the application of the proceeds therefrom has occurred at the beginning of such Test Period.

For the avoidance of doubt, if the Borrower incurs Fixed Incremental Amount Indebtedness on the same date that it incurs Ratio Amount Indebtedness, then the First Lien Net Leverage Ratio will be calculated without regard to any incurrence of Fixed Incremental Amount Indebtedness.

"**Permitted Incremental Equivalent Debt**" means secured or unsecured Indebtedness of the Borrower and any Guarantors in the form of loans or one or more series of notes; *provided* that:

(1) the aggregate principal amount of all Permitted Incremental Equivalent Debt on any date such Indebtedness is incurred or issued, after giving effect to such incurrence or issuance, shall not, together with any Incremental Facilities then outstanding (assuming in the case of any Incremental Revolving Commitments, a full drawing of such Revolving Commitments) (without netting the cash proceeds thereof), exceed the Permitted Incremental Amount;

(2) such Permitted Incremental Equivalent Debt (a) to the extent secured on a *pari passu* basis with the Closing Date Term Loans, will not have a final maturity date prior to the Maturity Date of the Closing Date Term Loans and (b) to the extent secured on a junior lien basis to the Closing Date Term Loans or unsecured, (x) will not have a final maturity date and (y) will not provide for any scheduled amortization, prior to the date that is 91 days after the Maturity Date of the Closing Date Term Loans (other than upon a change of control, asset sale event or casualty or condemnation event and customary acceleration rights upon an event of default), and, in each case, will not have a shorter Weighted Average Life to Maturity than the Closing Date Term Loans;

(3) any Permitted Incremental Equivalent Debt shall not be guaranteed by any Subsidiaries of the Borrower other than the Subsidiary Guarantors;

(4) any mandatory prepayments of:

(a) any Permitted Incremental Equivalent Debt that comprises junior lien or unsecured notes or loans may not be made except to the extent that prepayments of such debt are (i) permitted hereunder and (ii) to the extent required hereunder or pursuant to the terms of any Permitted Incremental Equivalent Debt that is secured on a *pari passu* basis with the Loans, first made or offered to the Loans and any such Permitted Incremental Equivalent Debt that is secured on a *pari passu* basis with the Loans; and

(b) any Permitted Incremental Equivalent Debt that is secured on a *pari passu* basis with the Term Loans shall be made on a pro rata basis or less than pro rata basis (but not greater than a pro rata basis) with the Term Loans (in each case, other than pursuant to a refinancing transaction permitted hereunder or with respect to greater than pro rata payments to an earlier maturing tranche); and

(5) if such Permitted Incremental Equivalent Debt is secured:

(a) such Permitted Incremental Equivalent Debt is not secured by any assets or property of Holdings, the Borrower or any Restricted Subsidiary that does not constitute Collateral (subject to customary exceptions for cash collateral in favor of a letter of credit issuer or similar "fronting" lender);

(b) if such Permitted Incremental Equivalent Debt is secured on a *pari passu* basis with the Closing Date Term Loans, a Debt Representative acting on behalf of the holders of such Permitted Incremental Equivalent Debt has become party to or is otherwise subject to the provisions of an Equal Priority Intercreditor Agreement; and

(c) if such Permitted Incremental Equivalent Debt is secured on a junior basis to the Closing Date Term Loans, a Debt Representative, acting on behalf of the holders of such Permitted Incremental Equivalent Debt, has become party to or is otherwise subject to the provisions of a Junior Lien Intercreditor Agreement.

Permitted Incremental Equivalent Debt (i) will not be subject to the "most favored nation" pricing provision(s) set forth in Section 2.14(8) except to the extent such Permitted Incremental Equivalent Debt is (x) in the form of term

loans and (y) secured on a *pari passu* basis with the Closing Date Term Loans (in which case, such "most favored nation" pricing provision shall apply) and (ii) may be incurred or issued in the form of a bridge or other interim credit facility intended to be refinanced or replaced with long-term indebtedness (so long as such credit facility includes customary "rollover provisions"), in which case, clause (2) of the first proviso in this definition shall not prohibit the inclusion of customary terms for "bridge" facilities, including customary mandatory prepayment, repurchase or redemption provisions.

"**Permitted Indebtedness**" means Indebtedness permitted to be incurred in accordance with Section 7.02.

"**Permitted Investments**" means:

(1) any Investment (a) in any Loan Party, (b) by any Restricted Subsidiary that is a Non-Loan Party in any other Restricted Subsidiary that is a Non-Loan Party and (c) by any Loan Party in any Restricted Subsidiary that is a Non-Loan Party; *provided* that the aggregate amount of Investments (other than as a result of the transfer of Equity Interests or Indebtedness of any Restricted Subsidiary that is a Non-Loan Party to any other Restricted Subsidiary that is a Non-Loan Party) outstanding at any time pursuant to this clause (c), together with, but without duplication of, Investments made by any Loan Party in any Non-Loan Party pursuant to clause (3) below, shall not exceed the greater of (i) $50.0 million and (ii) an amount equal to the Equivalent Percentage of the amount set forth in clause (i) multiplied by TTM Run-Rate Adjusted EBITDA as of the applicable date of determination;

(2) any Investment(s) in Cash Equivalents or Investment Grade Securities and Investments that were Cash Equivalents or Investment Grade Securities when made;

(3) (a) any Investment by the Borrower or any Restricted Subsidiary in any Person that is engaged (directly or through entities that will be Restricted Subsidiaries) in a Similar Business if as a result of such Investment (i) such Person becomes a Restricted Subsidiary or (ii) such Person, in one transaction or a series of related transactions, is amalgamated, merged or consolidated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Borrower or a Restricted Subsidiary (a "**Permitted Acquisition**"); *provided* that:

(A) the aggregate amount of Investments made by Loan Parties in Persons that do not become Loan Parties or in assets that are not owned by a Loan Party pursuant to this clause (3), together with, but without duplication of, Investments by any Loan Party in any Non-Loan Party pursuant to clause (1) above, shall not exceed an aggregate amount outstanding from time to time equal to the greater of (x) $50.0 million and (y) an amount equal to the Equivalent Percentage of the amount set forth in the immediately preceding clause (x) multiplied by TTM Run-Rate Adjusted EBITDA as of the applicable date of determination;

(B) subject to Section 1.07(8), immediately before and after giving *pro forma* effect to any such Investment, (x) no Event of Default will have occurred and be continuing and (y) either:

(1) the First Lien Net Leverage Ratio for the Test Period is no greater than the First Lien Net Leverage Ratio in effect immediately prior (and without giving *pro forma* effect) to such Investment,

(2) the Borrower is in compliance with the Financial Covenant (whether or not applicable at such time), or

(3) the Borrower could incur at least $1.00 of additional Indebtedness pursuant to clause (A) of Section 7.02(a);

(C) before or substantially contemporaneously with the making of such Investment, the Borrower will deliver to the Administrative Agent an Officer's Certificate of the Borrower, in form and substance reasonably satisfactory to the Administrative Agent and the Borrower, certifying that all of the requirements in this clause (3) have been or will be satisfied on or prior to the consummation of such Investment; and

(b) any Investment held by such Person described in the preceding clause (a); *provided* that such Investment was not acquired by such Person in contemplation of such acquisition, merger, amalgamation, consolidation, transfer or conveyance;

(4) any Investment in securities or other assets not constituting Cash Equivalents or Investment Grade Securities and received in connection with an Asset Sale made in accordance with Section 7.04 or any other disposition of assets not constituting an Asset Sale;

(5) any Investment existing on the Closing Date or made pursuant to binding commitments in effect on the Closing Date or an Investment consisting of any extension, modification, replacement, renewal or reinvestment of any Investment or binding commitment existing on the Closing Date; *provided* that the amount of any such Investment or binding commitment may be increased, extended, modified, replaced, reinvested or renewed, (a) as required by the terms of such Investment or binding commitment as in existence on the Closing Date (including as a result of the accrual or accretion of interest or original issue discount or the issuance of pay-in-kind securities) or (b) as otherwise permitted hereunder;

(6) any Investment acquired by the Borrower or any Restricted Subsidiary:

(a) in exchange for any other Investment, accounts receivable or indorsements for collection or deposit held by the Borrower or any Restricted Subsidiary in connection with or as a result of a bankruptcy, workout, reorganization or recapitalization of, or settlement of delinquent accounts and disputes with or judgments against, the issuer of such other Investment or accounts receivable (including any trade creditor or customer);

(b) in satisfaction of judgments against other Persons;

(c) as a result of a foreclosure by the Borrower or any Restricted Subsidiary with respect to any secured Investment or other transfer of title with respect to any secured Investment in default; or

(d) as a result of the settlement, compromise or resolution of (i) litigation, arbitration or other disputes or (ii) obligations of trade creditors or customers that were incurred in the ordinary course of business or consistent with industry practice of the Borrower or any Restricted Subsidiary, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer;

(7) Hedging Obligations permitted under Section 7.02(b)(10);

(8) any Investment in a Similar Business taken together with all other Investments made pursuant to this clause (8) that are at that time outstanding not to exceed the greater of (a) $75.0 million and (b) an amount equal to the Equivalent Percentage of the amount set forth in clause (a) multiplied by TTM Run-Rate Adjusted EBITDA of the Borrower for the most recently ended Test Period on the date of such Investment (with the amount of each Investment being measured at the time made and without giving effect to subsequent changes in value, but subject to adjustment as set forth in the definition of "Investment");

(9) Investments the payment for which consists of Equity Interests (other than Disqualified Stock) of the Borrower or any Parent Company; *provided* that such Equity Interests will not increase the amount available for Restricted Payments under clause (3) of Section 7.05(a);

(10) (a) guarantees of Indebtedness permitted under Section 7.02, performance guarantees and Contingent Obligations incurred in the ordinary course of business or consistent with industry practice, and (b) the creation of liens on the assets of the Borrower or any Restricted Subsidiary in compliance with Section 7.01;

(11) any transaction to the extent it constitutes an Investment that is permitted by and made in accordance with the provisions of Section 7.07(b) (except transactions described in clauses (2), (5), (9), (15) or (22) of such Section);

(12) Investments consisting of purchases and acquisitions of inventory, supplies, material, services or equipment or similar assets or the licensing or contribution of intellectual property pursuant to joint marketing arrangements with other Persons;

(13) Investments having an aggregate fair market value, taken together with all other Investments made pursuant to this clause (13) that are at that time outstanding (without giving effect to the sale of an Unrestricted Subsidiary to the extent the proceeds of such sale do not consist of Cash Equivalents or marketable securities), not to exceed the greater of (a) $100.0 million and (b) an amount equal to the Equivalent Percentage of the amount set forth in clause (a) multiplied by TTM Run-Rate Adjusted EBITDA of the Borrower for the most recently ended Test Period on the date of such Investment (with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value, but subject to adjustment as set forth in the definition of "Investment"); *provided*, *however*, that if any Investment pursuant to this clause (13) is made in any Person that is not a Restricted Subsidiary of the Borrower at the date of the making of such Investment and such Person becomes a Restricted Subsidiary after such date, such Investment will thereafter be deemed to have been made pursuant to clause (1) above (to the extent permitted thereunder) and will cease to have been made pursuant to this clause (13) for so long as such Person continues to be a Restricted Subsidiary;

(14) Investments in or relating to a Securitization Subsidiary that, in the good faith determination of the Borrower, are necessary or advisable to effect any Qualified Securitization Facility (including distributions or payments of Securitization Fees) or any repurchase obligation in connection therewith (including the contribution or lending of Cash Equivalents to Subsidiaries to finance the purchase of such assets from the Borrower or any Restricted Subsidiary or to otherwise fund required reserves);

(15) loans and advances to, or guarantees of Indebtedness of, officers, directors, employees, consultants and members of management not in excess of $10.0 million outstanding at any one time, in the aggregate;

(16) loans and advances to employees, directors, officers, members of management and consultants for business-related travel expenses, moving expenses, payroll advances and other similar expenses or payroll expenses, in each case incurred in the ordinary course of business or consistent with past practice or consistent with industry practice or to future, present and former employees, directors, officers, members of management and consultants (and their Controlled Investment Affiliates and Immediate Family Members) to fund such Person's purchase of Equity Interests of the Borrower or any Parent Company;

(17) advances, loans or extensions of trade credit or prepayments to suppliers or loans or advances made to distributors, in each case, in the ordinary course of business or consistent with past practice or consistent with industry practice by the Borrower or any Restricted Subsidiary;

(18) any Investment in any Subsidiary or any joint venture in connection with intercompany cash management arrangements or related activities arising in the ordinary course of business or consistent with industry practice;

(19) Investments consisting of purchases and acquisitions of assets or services in the ordinary course of business or consistent with industry practice;

(20) Investments made in the ordinary course of business or consistent with industry practice in connection with obtaining, maintaining or renewing client contacts and loans or advances made to distributors;

(21) Investments in prepaid expenses, negotiable instruments held for collection and lease, utility and workers compensation, performance and similar deposits entered into as a result of the operations of the business in the ordinary course of business or consistent with industry practice;

(22) the purchase or other acquisition of any Indebtedness of the Borrower or any Restricted Subsidiary to the extent otherwise permitted hereunder;

(23) Investments in Unrestricted Subsidiaries having an aggregate fair market value, taken together with all other Permitted Investments made pursuant to this clause (23) that are at the time outstanding, without giving effect to the sale of an Unrestricted Subsidiary to the extent the proceeds of such sale do not consist of, or have not been subsequently sold or transferred for, Cash Equivalents or marketable securities, not to exceed the greater of (a) $50.0 million and (b) an amount equal to the Equivalent Percentage of the amount set forth in clause (a) multiplied by TTM Run-Rate Adjusted EBITDA of the Borrower for the most recently ended Test Period on the date of such Investment (with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value, but subject to adjustment as set forth in the definition of "Investment"); *provided*, *however*, that if any Investment pursuant to this clause (23) is made in any Person that is an Unrestricted Subsidiary of the Borrower at the date of the making of such Investment and such Person becomes a Restricted Subsidiary after such date, such Investment will thereafter be deemed to have been made pursuant to clause (1) above to the extent permitted thereunder and will cease to have been made pursuant to this clause (23) for so long as such Person continues to be a Restricted Subsidiary;

(24) Investments in the ordinary course of business or consistent with industry practice consisting of Uniform Commercial Code Article 3 endorsements for collection or deposit and Article 4 customary trade arrangements with customers;

(25) any Investment by any Captive Insurance Subsidiary in connection with its provision of insurance to the Borrower or any of its Subsidiaries, which Investment is made in the ordinary course of business or consistent with industry practice of such Captive Insurance Subsidiary, or by reason of applicable law, rule, regulation or order, or that is required or approved by any regulatory authority having jurisdiction over such Captive Insurance Subsidiary or its business, as applicable;

(26) Investments made as part of, to effect or resulting from the Transactions;

(27) Investments of assets relating to non-qualified deferred payment plans in the ordinary course of business or consistent with industry practice;

(28) intercompany current liabilities owed to Unrestricted Subsidiaries or joint ventures incurred in the ordinary course of business or consistent with industry practice in connection with the cash management operations of the Borrower and its Subsidiaries;

(29) acquisitions of obligations of one or more directors, officers or other employees or consultants or independent contractors of any Parent Company, the Borrower, or any Subsidiary of the Borrower in connection with such director's, officer's, employee's consultant's or independent contractor's acquisition of Equity Interests of the Borrower or any direct or indirect parent of the Borrower, to the extent no cash is actually advanced by the Borrower or any Restricted Subsidiary to such directors, officers, employees, consultants or independent contractors in connection with the acquisition of any such obligations;

(30) Investments constituting promissory notes or othernon-cash proceeds of dispositions of assets to the extent permitted under Section 7.04;

(31) Investments resulting from pledges and deposits permitted pursuant to the definition of "Permitted Liens";

(32) loans and advances to any direct or indirect parent of the Borrower in lieu of and not in excess of the amount of (after giving effect to any other loans, advances or Restricted Payments in respect thereof) Restricted Payments to the extent permitted to be made in cash to such parent in accordance with Section 7.05 at such time, such Investment being treated for purposes of the applicable clause of Section 7.05, including any limitations, as if a Restricted Payment were made pursuant to such applicable clause;

(33) any other Investments if on a *pro forma* basis after giving effect to such Investment, the First Lien Net Leverage Ratio would be equal to or less than 2.75 to 1.00;

(34) Permitted Bond Hedge Transactions; and

(35) any Investment made by any Restricted Subsidiary that is not a Loan Party to the extent that such Investment is financed with the proceeds received by such Restricted Subsidiary from an Investment in such Restricted Subsidiary permitted under this Agreement.

For purposes of determining compliance with this definition, (A) an Investment need not be incurred solely by reference to one category of Permitted Investments described in this definition, but is permitted to be incurred in part under any combination thereof and of any other available exemption and (B) in the event that an Investment (or any portion thereof) meets the criteria of one or more of the categories of Permitted Investments, the Borrower may, in its sole discretion, classify or reclassify such Investment (or any portion thereof) in any manner that complies with this definition and Section 7.05.

"**Permitted Junior Priority Refinancing Debt**" means any Credit Agreement Refinancing Indebtedness that is secured on a junior lien basis to the Closing Date Loans and the Closing Date Revolving Facility.

"**Permitted Liens**" means, with respect to any Person:

(1) Liens created pursuant to any Loan Document;

(2) Liens, pledges or deposits made in connection with:

(a) workers' compensation laws, unemployment insurance, health, disability or employee benefits, other social security laws or similar legislation or regulations,

(b) insurance-related obligations (including in respect of deductibles, self-insured retention amounts and premiums and adjustments thereto) securing reimbursement or indemnification obligations of (including obligations in respect of letters of credit, bank guarantees or similar documents or instruments for the benefit of) insurance carriers providing property, casualty or liability insurance or otherwise supporting the payment of items set forth in the foregoing clause (a) or

(c) bids, tenders, contracts, statutory obligations, surety, indemnity, warranty, release, appeal or similar bonds, or with regard to other regulatory requirements, completion guarantees, stay, customs and appeal bonds, performance bonds, bankers' acceptance facilities, and other obligations of like nature (including those to secure health, safety and environmental obligations) (other than for the payment of Indebtedness) or leases to which such Person is a party, or deposits to secure public or statutory obligations of such Person or deposits of cash or U.S. government bonds to secure surety or appeal bonds to which such Person is a party, or deposits as security for the payment of rent, contested taxes or import duties and obligations in respect of letters of credit, bank guarantees or similar instruments that have been posted to support the same, in each case incurred in the ordinary course of business or consistent with industry practice;

(3) Liens imposed by law, such as landlords', carriers', warehousemen's, materialmen's, repairmen's, construction, mechanics' or other similar Liens (a) for sums not yet overdue for a period of more than sixty (60) days or, if more than sixty (60) days overdue, are unfiled and no other action has been taken to enforce such Liens or (b) being contested in good faith by appropriate actions or other Liens arising out of or securing judgments or awards against such Person with respect to which such Person will then be proceeding with an appeal or other proceedings for review if such Liens are adequately bonded or adequate reserves with respect thereto are maintained on the books of such Person in accordance with GAAP;

(4) Liens for taxes, assessments or other governmental charges not yet overdue for a period of more than thirty (30) days or not yet payable or not subject to penalties for nonpayment or which are being contested in good faith by appropriate actions if adequate reserves with respect thereto are maintained on the books of such Person in accordance with GAAP;

(5) Liens in favor of issuers of performance, surety, bid, indemnity, warranty, release, appeal or similar bonds, instruments or obligations or with respect to regulatory requirements or letters of credit or bankers acceptance issued, and completion guarantees provided for, in each ease, issued pursuant to the request of and for the account of such Person in the ordinary course of its business or consistent with past practice or industry practice;

(6) survey exceptions, encumbrances, ground leases, easements, restrictions, protrusions, encroachments or reservations of, or rights of others for, licenses, rights-of-way, servitudes, sewers, electric lines, drains, telegraph, telephone and cable television lines and other similar purposes, or zoning, building codes or other restrictions (including minor defects or irregularities in title and similar encumbrances) as to the use of real properties or Liens incidental to the conduct of the business of such Person or to the ownership of its properties that were not incurred in connection with Indebtedness and that do not in the aggregate materially impair their use in the operation of the business of such Person and exceptions on title policies insuring liens granted on Mortgaged Properties;

(7) Liens securing obligations in respect of Indebtedness, Disqualified Stock or Preferred Stock permitted to be incurred pursuant to clause (4), (6), (12), (13), (15), (23) or (25) of Section 7.02(b); *provided* that:

(a) Liens securing obligations relating to any Indebtedness, Disqualified Stock or Preferred Stock permitted to be incurred pursuant to such clause (13) relate only to obligations relating to Refinancing Indebtedness that is secured by Liens on the same assets as the assets securing the Refinanced Debt (as defined in the definition of Refinancing Indebtedness), *plus* improvements, accessions, proceeds or dividends or distributions in respect thereof and after-acquired property, or serves to refund, refinance, extend, replace, renew or defease Indebtedness, Disqualified Stock or Preferred Stock incurred under such clause (4), (12) or (13) of Section 7.02(b);

(b) Liens securing obligations relating to Indebtedness or Disqualified Stock permitted to be incurred pursuant to such clause (23) extend only to the assets of Subsidiaries that are not Guarantors;

(c) Liens securing obligations in respect of Indebtedness, Disqualified Stock or Preferred Stock permitted to be incurred pursuant to such clause (4) extend only to the assets so purchased, replaced, leased or improved and proceeds and products thereof; *provided further* that individual financings of assets provided by a counterparty may be cross-collateralized to other financings of assets provided by such counterparty; and

(d) If any such Liens (i) secure Indebtedness for borrowed money incurred pursuant to such clause (12) in a principal amount in excess of the Threshold Amount and (ii) are secured by the Collateral on a *pari passu* basis with, or junior basis to, the Liens that secure the Closing Date Loans, they will be subject to an Equal Priority Intercreditor Agreement or a Junior Lien Intercreditor Agreement, as applicable.

(8) Liens existing, or provided for under binding contracts existing, on the Closing Date;

(9) Liens on property or shares of stock or other assets of a Person at the time such Person becomes a Subsidiary*provided* that such Liens are not created or incurred in connection with, or in contemplation of, such other Person becoming such a Subsidiary; *provided further* that such Liens are limited to all or part of the same property or assets (*plus* improvements, accessions, proceeds or dividends or distributions in respect thereof and after-acquired property) that secured the obligations to which such Liens relate;

(10) Liens on property or other assets at the time the Borrower or a Restricted Subsidiary acquired the property or such other assets, including any acquisition by means of a merger, amalgamation or consolidation with or into the Borrower or any Restricted Subsidiary; *provided* that such Liens are not created or incurred in connection with, or in contemplation of, such acquisition, amalgamation, merger or consolidation; *provided further* that such Liens are limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof and after acquired-property) that secured the obligations to which such Liens relate;

(11) Liens securing obligations in respect of Indebtedness or other obligations of a Restricted Subsidiary owing to the Borrower or another Restricted Subsidiary permitted to be incurred in accordance with Section 7.02;

(12) Liens securing (x) Hedging Obligations and (y) obligations in respect of Cash Management Services;

(13) Liens on specific items of inventory or other goods and proceeds of any Person securing such Person's accounts payable or similar obligations in respect of bankers' acceptances or letters of credit issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(14) leases, subleases, licenses or sublicenses (or other agreement under which the Borrower or any Restricted Subsidiary has granted rights to end users to access and use the Borrower's or any Restricted Subsidiary's products, technologies or services) that do not materially interfere with the business of the Borrower and its Restricted Subsidiaries, taken as a whole, and the customary rights reserved or vested in any Person by the terms of any lease, sublease, license, sublicense, grant or permit, or to require annual or periodic payments as a condition to the continuance thereof;

(15) Liens arising from Uniform Commercial Code (or equivalent statutes) financing statement filings regarding operating leases, consignments or accounts entered into by the Borrower and its Restricted Subsidiaries in the ordinary course of business or consistent with industry practice or purported Liens evidenced by the filing of precautionary Uniform Commercial Code (or equivalent statutes) financing statements or similar public filings;

(16) Liens in favor of the Borrower or any Guarantor;

(17) Liens on equipment or vehicles of the Borrower or any Restricted Subsidiary granted in the ordinary course of business or consistent with industry practice;

(18) Liens on accounts receivable, Securitization Assets and related assets incurred in connection with a Qualified Securitization Facility;

(19) Liens to secure any modification, refinancing, refunding, extension, renewal or replacement (or successive modification, refinancing, refunding, extensions, renewals or replacements) as a whole, or in part, of any Indebtedness, Disqualified Stock or Preferred Stock secured by any Lien referred to in clauses (6), (7), (8), (9) or (41) of this definition; *provided* that: (a) such new Lien will be limited to all or part of the same property (plus improvements, accessions, proceeds or dividends or distributions in respect thereof and after-acquired property) that secured the original Lien (plus improvements and accessions on such property) and proceeds and products thereof and (b) the Indebtedness, Disqualified Stock or Preferred Stock secured by such Lien at such time is not increased to any amount greater than the sum of (i) the outstanding principal amount or, if greater, committed amount of the Indebtedness described under such clauses (6), (7), (8), (9) or (41) at the time the original Lien became a Permitted Lien hereunder, *plus* (ii) an amount necessary to pay any fees and expenses (including original issue discount, upfront fees, defeasance costs, underwriting discounts or similar fees) and premiums (including tender premiums and accrued and unpaid interest), related to such refinancing, refunding, extension, renewal or replacement;

(20) deposits made or other security provided to secure liability to insurance brokers, carriers, underwriters or self-insurance arrangements, including Liens on insurance policies and the proceeds thereof securing the financing of the premiums with respect thereto;

(21) other Liens securing obligations in an aggregate principal amount at any one time outstanding not to exceed the greater of (a) $75.0 million and (b) an amount equal to the Equivalent Percentage of the amount set forth in clause (a) multiplied by TTM Run-Rate Adjusted EBITDA of the Borrower for the most recently ended Test Period on the date of incurrence; *provided*, that if such Liens secured Indebtedness for borrowed money and are secured by the Collateral on a *pari passu* basis with, or junior basis to, the Liens that secure the Closing Date Loans, they will be subject to an Equal Priority Intercreditor Agreement or Junior Lien Intercreditor Agreement, as applicable;

(22) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(23) (a) the prior rights of consignees and their lenders under consignment arrangements entered into in the ordinary course of business or consistent with industry practice, (b) Liens arising out of conditional sale, title retention or similar arrangements for the sale of goods in the ordinary course of business or consistent with industry practice and (c) Liens arising by operation of law under Article 2 of the Uniform Commercial Code;

(24) Liens securing judgments for the payment of money not constituting an Event of Default under Section 8.01(7);

(25) Liens (a) of a collection bank arising under Section 4-208 or 4-210 of the Uniform Commercial Code on items in the course of collection, (b) attaching to commodity trading accounts or other brokerage accounts incurred in the ordinary course of business or consistent with industry practice and (c) in favor of banking or other institutions or other electronic payment service providers arising as a matter of law or under general terms and conditions encumbering deposits or margin deposits or other funds maintained with such institution (including the right of setoff) and that are within the general parameters customary in the banking industry;

(26) Liens deemed to exist in connection with Investments in repurchase agreements permitted under this Agreement;*provided* that such Liens do not extend to assets other than those that are subject to such repurchase agreements;

(27) Liens that are contractual rights of setoff (a) relating to the establishment of depository relations with banks or other deposit-taking financial institutions or other electronic payment service providers and not given in connection with the issuance of Indebtedness, (b) relating to pooled deposit or sweep accounts to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business or consistent with industry practice of the Borrower or any Restricted Subsidiary or (c) relating to purchase orders and other agreements entered into with customers of the Borrower or any Restricted Subsidiary in the ordinary course of business or consistent with industry practice;

(28) Liens on cash proceeds (as defined in Article 9 of the Uniform Commercial Code) of assets sold that were subject to a Lien permitted hereunder;

(29) any encumbrance or restriction (including put, call arrangements, tag, drag, right of first refusal and similar rights) with respect to capital stock of any joint venture or similar arrangement pursuant to any joint venture or similar agreement;

(30) Liens (a) on cash advances or cash earnest money deposits in favor of the seller of any property to be acquired in an Investment permitted under this Agreement to be applied against the purchase price for such Investment and (b) consisting of a letter of intent or an agreement to sell, transfer, lease or otherwise dispose of any property in a transaction permitted under Section 7.04 in each case, solely to the extent such Investment or sale, disposition, transfer or lease, as the case may be, would have been permitted on the date of the creation of such Lien;

(31) ground leases, subleases, licenses or sublicenses in respect of real property on which facilities owned or leased by the Borrower or any of its Subsidiaries are located;

(32) Liens in connection with any Sale-Leaseback Transaction(s);

(33) Liens on Capital Stock or other securities of an Unrestricted Subsidiary;

(34) any interest or title of a lessor, sublessor, licensor or sublicensor or secured by a lessor's, sublessor's, licensor's or sublicensor's interest under leases or licenses entered into by the Borrower or any of the Restricted Subsidiaries in the ordinary course of business or consistent with industry practice;

(35) deposits of cash with the owner or lessor of premises leased and operated by the Borrower or any of its Subsidiaries in the ordinary course of business or consistent with industry practice of the Borrower and such Subsidiary to secure the performance of the Borrower's or such Subsidiary's obligations under the terms of the lease for such premises;

(36) rights of set-off, banker's liens, netting arrangements and other Liens arising by operation of law or by the terms of documents of banks or other financial institutions in relation to the maintenance of administration of deposit accounts, securities accounts, cash management arrangements or in connection with the issuance of letters of credit, bank guarantees or other similar instruments;

(37) Liens on cash and Permitted Investments used to satisfy or discharge Indebtedness; *provided* that such satisfaction or discharge is permitted under this Agreement;

(38) receipt of progress payments and advances from customers in the ordinary course of business or consistent with industry practice to the extent the same creates a Lien on the related inventory and proceeds thereof;

(39) Liens on all or any portion of the Collateral (but no other assets) to secure obligations in respect of (a) Indebtedness permitted to be incurred pursuant to Section 7.02; *provided* that after giving *pro forma* effect to the incurrence of the then proposed Indebtedness (and without netting any cash received from the incurrence of such Indebtedness) (or, in the case of Indebtedness under Designated Revolving Commitments, on the date such Designated Revolving Commitments are established after giving *pro forma* effect to the incurrence of the entire committed amount of the Indebtedness thereunder (but without netting any cash proceeds thereof), in which case such committed amount under such Designated Revolving Commitments may thereafter be borrowed and reborrowed, in whole or in part, from time to time, without further compliance with this proviso), (i) if such Indebtedness is secured on a (x) *pari passu* basis with the Liens that secure the Closing Date Loans ('**Pari Passu Lien Debt**"), the First

Lien Net Leverage Ratio would be no greater than 4.00 to 1.00 or (y) junior basis to the Liens that secure the Loans ("**Junior Lien Debt**"), the Total Net Leverage Ratio would be no greater than 5.10 to 1.00, (ii) such Liens are in each case subject to an Equal Priority Intercreditor Agreement or Junior Lien Intercreditor Agreement, as applicable, and (iii) if such Liens secure term loans that are secured on a *pari passu* basis with the Closing Date Term Loans, then the Borrower shall comply with the "most favored nation" pricing provisions of Section 2.14(8) as if such Indebtedness was an Incremental Facility incurred pursuant to Section 2.14 and (b) any Refinancing Indebtedness in respect of Pari Passu Lien Debt or Junior Lien Debt (but subject to the foregoing subclause (iii));

(40) agreements to subordinate any interest of the Borrower or any Restricted Subsidiary in any accounts receivable or other proceeds arising from inventory consigned by the Borrower or any Restricted Subsidiary pursuant to an agreement entered into in the ordinary course of business or consistent with industry practice;

(41) Liens securing Existing Mortgage Debt and Liens arising pursuant to Section 107(l) of the Comprehensive Environmental Response, Compensation and Liability Act or similar provision of any Environmental Law;

(42) Liens disclosed by the title insurance policies delivered on or prior to the Closing Date and any replacement, extension or renewal of any such Lien (to the extent the Indebtedness and other obligations secured by such replacement, extension or renewal Liens are permitted by this Agreement); *provided* that such replacement, extension or renewal Liens do not cover any property other than the property that was subject to such Liens prior to such replacement, extension or renewal;

(43) rights reserved or vested in any Person by the terms of any lease, license, franchise, grant or permit held by the Borrower or any of its Restricted Subsidiaries or by a statutory provision, to terminate any such lease, license, franchise, grant or permit, or to require annual or periodic payments as a condition to the continuance thereof;

(44) restrictive covenants affecting the use to which real property may be put; *provided* that the covenants are complied with;

(45) security given to a public utility or any municipality or governmental authority when required by such utility or authority in connection with the operations of that Person in the ordinary course of business or consistent with industry practice;

(46) zoning by-laws and other land use restrictions, including site plan agreements, development agreements and contract zoning agreements; and

(47) Liens on all or any portion of the Collateral (but no other assets) securing (i) Permitted Incremental Equivalent Debt, (ii) Permitted Equal Priority Refinancing Debt or (iii) Permitted Junior Priority Refinancing Debt, and, in each case, Liens securing any Refinancing Indebtedness in respect thereof.

For purposes of determining compliance with this definition, (A) a Lien need not be incurred solely by reference to one category of Permitted Liens described in this definition, but is permitted to be incurred in part under any combination thereof and of any other available exemption and (B) in the event that a Lien (or any portion thereof) meets the criteria of one or more of the categories of Permitted Liens, the Borrower will, in its sole discretion, be entitled to divide, classify or reclassify, in whole or in part, any such Lien (or any portion thereof) among one or more such categories or clauses in any manner that complies with this definition.

If any Liens securing obligations are incurred to refinance liens securing obligations initially incurred in reliance on a Basket measured by reference to a percentage of TTM Run-Rate Adjusted EBITDA, and such refinancing would cause the percentage of TTMRun-Rate Adjusted EBITDA to be exceeded if calculated based on the TTM Run-Rate Adjusted EBITDA on the date of such refinancing, such percentage of TTMRun-Rate

Adjusted EBITDA will not be deemed to be exceeded to the extent the principal amount of such obligations secured by such newly incurred Lien does not exceed the principal amount of such obligations secured by such Liens being refinanced, plus the related costs incurred or payable in connection with such refinancing and if any Liens securing obligations are incurred to refinance liens securing obligations initially incurred in reliance on a Basket measured by a fixed dollar amount, such fixed dollar Basket will be deemed to be exceeded to the extent the principal amount of such obligations secured by such Liens being refinanced, plus the related costs incurred or payable in connection with such refinancing.

For purposes of this definition, the term "Indebtedness" will be deemed to include interest on such Indebtedness.

"**Permitted Parent**" means any direct or indirect parent of the Borrower that at the time it became a parent of the Borrower was a Permitted Holder pursuant to clause (1) of the definition thereof.

"**Permitted Warrant Transaction**" means any call option, warrant or right to purchase (or substantively equivalent derivative transaction) on the Borrower's or a Parent Company's common stock sold by the Borrower or a Parent Company substantially concurrently with any purchase by the Borrower of a related Permitted Bond Hedge Transaction.

"**Person**" means any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

"**Plan**" means any material "employee benefit plan" (as such term is defined in Section 3(3) of ERISA), other than a Foreign Plan, established or maintained by any Loan Party or, with respect to any such plan that is subject to Section 412 of the Code or Title IV of ERISA, any of their respective ERISA Affiliates.

"**Planned Expenditures**" has the meaning specified in the definition of Excess Cash Flow.

"**Platform**" has the meaning specified in Section 6.02.

"**Pledged Collateral**" has the meaning specified in the Security Agreement.

"**Preferred Stock**" means any Equity Interest with preferential rights of payment of dividends or upon liquidation, dissolution or winding up.

"**Private-Side Information**" means any information with respect to Holdings and its Subsidiaries that is not Public-Side Information.

"**Pro Forma Financial Statements**" has the meaning specified in Section 5.05(1)(b).

"**Pro Rata Share**" means (i) with respect to all payments, computations and other matters relating to the Term Loan of a given Class of any Lender at any time a fraction (expressed as a percentage, carried out to the ninth decimal place), the numerator of which is the amount of the Term Loan Exposure of such Class of such Lender at such time and the denominator of which is the aggregate Term Loan Exposure of such Class of all Lenders at such time; (ii) with respect to all payments, computations and other matters relating to the Revolving Commitment or Revolving Loans of any Lender and any Letters of Credit issued or participations purchased therein by any Lender or any participations in any Swing Line Loans purchased by any Lender at any time a fraction (expressed as a percentage, carried out to the ninth decimal place), the numerator of which is the amount of the Revolving Exposure of that Lender and the denominator of which is the aggregate Revolving Exposure of all Lenders at such time; and (iii) with respect to all payments, computations and other matters relating to the Incremental Term Loans of any Lender at any time a fraction (expressed as a percentage, carried out to the ninth decimal place), the numerator of which is the amount of the Incremental Term Loan Exposure of such Lender at such time and the denominator of which is the aggregate Incremental Term Loan Exposure of all Lenders at such time.

"**Public Company Costs**" means the initial costs relating to establishing compliance with the Sarbanes-Oxley Act of 2002, as amended, and other expenses arising out of or incidental to the Borrower's or its Restricted Subsidiaries' initial establishment of compliance with the obligations of a reporting company, including costs, fees and expenses (including legal, accounting and other professional fees) relating to compliance with provisions of the Securities Act and the Exchange Act.

"**Public Lender**" means Lenders that do not wish to receive Private-Side Information.

"**Public-Side Information**" means (i) at any time prior to Holdings or any of its Subsidiaries becoming the issuer of any Traded Securities, information that is (a) of a type that would be required by applicable Law to be publicly disclosed in connection with an issuance by Holdings or any of its Subsidiaries of its debt or equity securities pursuant to a registered public offering made at such time or (b) not material to make an investment decision with respect to securities of Holdings or any of its Subsidiaries (for purposes of United States federal, state or other applicable securities laws), and (ii) at any time on or after Holdings or any of its Subsidiaries becoming the issuer of any Traded Securities, information that does not constitute material non-public information (within the meaning of United States federal, state or other applicable securities laws) with respect to Holdings or any of its Subsidiaries or any of their respective securities.

"**Purchase Money Obligations**" means any Indebtedness incurred to finance or refinance the acquisition, leasing, construction or improvement or property (real or personal) or assets (other than Capital Stock), and whether acquired through the direct acquisition of such property or assets, or otherwise.

"**Qualified ECP Guarantor**" means, in respect of any Swap Obligation, each Loan Party that has total assets exceeding $10.0 million at the time the relevant Guaranty or grant of the relevant security interest becomes effective with respect to such Swap Obligation or such other Person as constitutes an "eligible contract participant" under the Commodity Exchange Act or any regulations promulgated thereunder and can cause another Person to qualify as an "eligible contract participant" at such time by entering into a keepwell under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

"**Qualified Equity Interests**" means any Equity Interests that are not Disqualified Stock.

"**Qualified Holding Company Debt**" means unsecured Indebtedness of Holdings that

(1) is not subject to any Guarantee by any Subsidiary of Holdings (including the Borrower),

(2) will not mature prior to the date that is six (6) months after the Latest Maturity Date in effect on the date of issuance or incurrence thereof,

(3) has no scheduled amortization or scheduled payments of principal and is not subject to mandatory redemption, repurchase, prepayment or sinking fund obligation (it being understood that such Indebtedness may have mandatory prepayment, repurchase or redemption provisions satisfying the requirements of clause (5) below),

(4) does not require any payments in cash of interest or other amounts in respect of the principal thereof prior to the earlier to occur of (i) the date that is four (4) years from the date of the issuance or incurrence thereof and (ii) the date that is 180 days after the Latest Maturity Date in effect on the date of such issuance or incurrence, and

(5) has mandatory prepayment, repurchase or redemption, covenant, default and remedy provisions customary for senior discount notes of an issuer that is the parent of a borrower under senior secured credit facilities, and in any event, with respect to covenant, default and remedy provisions, no more restrictive (taken as a whole) than those set forth in this Agreement (other than provisions customary for senior discount notes of a holding company);

provided that any such Indebtedness shall constitute Qualified Holding Company Debt only if immediately after giving effect to the issuance or incurrence thereof and the use of proceeds thereof, no Event of Default shall have occurred and be continuing.

"**Qualified Proceeds**" means the fair market value of assets that are used or useful in, or Capital Stock of any Person engaged in, a Similar Business.

"**Qualified Securitization Facility**" means any Securitization Facility (1) constituting a securitization financing facility that meets the following conditions: (a) the Board of Directors will have determined in good faith that such Securitization Facility (including financing terms, covenants, termination events and other provisions) is in the aggregate economically fair and reasonable to the Borrower and the applicable Restricted Subsidiary or Securitization Subsidiary and (b) all sales or contributions of Securitization Assets and related assets to the applicable Person or Securitization Subsidiary are made at fair market value (as determined in good faith by the Borrower) or (2) constituting a receivables financing facility.

"**Qualifying IPO**" means the issuance by the Borrower, or any Parent Company, of its common Equity Interests in an underwritten primary public offering (other than a public offering pursuant to a registration statement on Form S-8) pursuant to an effective registration statement filed with the SEC in accordance with the Securities Act (whether alone or in connection with a secondary public offering).

"**Qualifying Lender**" has the meaning specified in Section 2.05(1)(e)(D)(3).

"**Quarterly Financial Statements**" means the unaudited quarterly balance sheet and related statements of income and cash flows of the Acquired Company for the most recent fiscal quarter(s) ended after December 31, 2014 and at least 45 days prior to the Closing Date, in each case to the extent delivered to Initial Borrower pursuant to the Acquisition Agreement or otherwise.

"**Rating Agencies**" means Moody's and S&P, or if Moody's or S&P (or both) are not making ratings on the relevant obligations publicly available, a nationally recognized statistical rating agency or agencies, as the case may be, selected by the Borrower that will be substituted for Moody's or S&P (or both), as the case may be.

"**Ratio Amount**" has the meaning specified in the definition of "Permitted Incremental Amount".

"**RBC**" means Royal Bank of Canada.

"**Reference Rate**" means (x) with respect to the calculation of the All-In Yield in the case of Loans of an applicable Class that includes a Eurodollar Rate floor, an interest rate per annum equal to the rate per annum equal to LIBOR, as published by Reuters (or such other commercially available source providing quotations of LIBOR as may be designated by the Administrative Agent from time to time) at approximately 11:00 a.m., London time, on such day for Dollar deposits with a term of three months, or if such rate is not available at such time for any reason, the rate per annum determined by the Administrative Agent to be the rate at which deposits in Dollars for delivery on such day with a term of three months would be offered by the Administrative Agent's London Branch to major banks in the London interbank eurodollar market at their request at approximately 11:00 a.m., London time, on such date and (y) with respect to the calculation of the All-In Yield in the case of Loans of an applicable Class that includes a Base Rate floor, the interest rate per annum equal to the highest of (a) the Federal Funds Rate *plus* 1/2 of 1%, (b) the rate of interest in effect for such day as publicly announced from time to time by the Administrative Agent as its "prime rate" and (c) the Eurodollar Rate on such day for an Interest Period of one (1) month *plus* 1.00% (or, if such day is not a Business Day, the immediately preceding Business Day).

"**Refinance**" has the meaning assigned in the definition of "Refinancing Indebtedness" and "**Refinancing**" and "**Refinanced**" have meanings correlative to the foregoing.

"**Refinanced Debt**" has the meaning assigned to such term in the definition of "Refinancing Indebtedness."

"**Refinancing Amendment**" means an amendment to this Agreement in form and substance reasonably satisfactory to the Administrative Agent and the Borrower executed by each of (a) the Borrower, (b) the Administrative Agent and (c) each Additional Lender and Lender that agrees to provide any portion of the Refinancing Loans or Refinancing Commitments being incurred or provided pursuant thereto, in accordance with Section 2.15.

"**Refinancing Commitments**" means any Refinancing Term Commitments or Refinancing Revolving Commitments.

"**Refinancing Indebtedness**" means (x) Indebtedness incurred by the Borrower or any Restricted Subsidiary, (y) Disqualified Stock issued by the Borrower or any Restricted Subsidiary or (z) Preferred Stock issued by any Restricted Subsidiary which, in each case, serves to extend, replace, refund, refinance, renew or defease ("**Refinance**") any Indebtedness, Disqualified Stock or Preferred Stock, including any Refinancing Indebtedness, so long as:

(1) (a) the principal amount (or accreted value, if applicable) of such new Indebtedness, the amount of such new Preferred Stock or the liquidation preference of such new Disqualified Stock does not exceed the principal amount of (or accreted value, if applicable), *plus* (b) any accrued and unpaid interest on, the Indebtedness, the amount of any accrued and unpaid dividends on, the Preferred Stock or the liquidation preference of, *plus* any accrued and unpaid dividends on, the Disqualified Stock being so extended, replaced, refunded, refinanced, renewed or defeased (such Indebtedness, Disqualified Stock or Preferred Stock, the "**Refinanced Debt**"), *plus* (c) the amount of any tender premium or penalty or premium required to be paid under the terms of the instrument or documents governing such Refinanced Debt and any defeasance costs and any fees and expenses (including original issue discount, upfront fees or similar fees) incurred in connection with the issuance of such new Indebtedness, Preferred Stock or Disqualified Stock or to Refinance such Refinanced Debt (such amounts in clause (b) and (c) the "**Incremental Amounts**");

(2) such Refinancing Indebtedness has a:

(a) Weighted Average Life to Maturity at the time such Refinancing Indebtedness is incurred that is not less than the remaining Weighted Average Life to Maturity of the applicable Refinanced Debt; and

(b) final scheduled maturity date equal to or later than the final scheduled maturity date of the Refinanced Debt (or, if earlier, the date that is 91 days after the Maturity Date of the Loans);

(3) to the extent such Refinancing Indebtedness Refinances (a) Subordinated Indebtedness, such Refinancing Indebtedness is subordinated to the Loans or the Guaranty thereof at least to the same extent as the applicable Refinanced Debt, (b) Junior Lien Debt, such Refinancing Indebtedness is (i) unsecured or (ii) secured by Liens that are subordinated to the Liens that secure the Loans or the Guaranty thereof, in each case at least to the same extent as the applicable Refinanced Debt or pursuant to a Junior Lien Intercreditor Agreement or (c) Disqualified Stock or Preferred Stock, such Refinancing Indebtedness must be Disqualified Stock or Preferred Stock, respectively;

(4) such Refinancing Indebtedness shall not be guaranteed or borrowed by any Person other than a Person that is so obligated in respect of the Refinanced Debt being Refinanced; and

(5) such Refinancing Indebtedness shall not be secured by any assets or property of Holdings, the Borrower or any Restricted Subsidiary that does not secure the Refinanced Debt being Refinanced (*plus* improvements, accessions, proceeds or dividends or distributions in respect thereof and after-acquired property);

provided that Refinancing Indebtedness will not include:

(a) Indebtedness, Disqualified Stock or Preferred Stock of a Subsidiary of the Borrower that is not a Guarantor that refinances Indebtedness or Disqualified Stock of the Borrower;

(b) Indebtedness, Disqualified Stock or Preferred Stock of a Subsidiary of the Borrower that is not a Guarantor that refinances Indebtedness, Disqualified Stock or Preferred Stock of a Guarantor; or

(c) Indebtedness or Disqualified Stock of the Borrower or Indebtedness, Disqualified Stock or Preferred Stock of a Restricted Subsidiary that refinances Indebtedness, Disqualified Stock or Preferred Stock of an Unrestricted Subsidiary;

provided further that (x) clause (2) of this definition will not apply to any Refinancing of any Indebtedness other than Indebtedness incurred under clauses (2) and (30) of Section 7.02(b) (including any successive Refinancings thereof incurred under clause (13) of Section 7.02(b)) and any Subordinated Indebtedness (other than Subordinated Indebtedness assumed or acquired in an Investment or acquisition and not created in contemplation thereof), Disqualified Stock and Preferred Stock and (y) Refinancing Indebtedness may be incurred in the form of a customary "bridge" or other interim credit facility intended to be refinanced or replaced with long-term indebtedness which does not satisfy the requirements of clause (2) above so long as, subject to customary conditions, as determined in good faith by the Borrower, such "bridge" or other interim indebtedness will either be automatically converted into or required to be exchanged for permanent financing which satisfies the requirements of clause (2) of this definition.

"**Refinancing Loans**" means any Refinancing Term Loans or Refinancing Revolving Loans.

"**Refinancing Revolving Commitments**" means one or more Classes of Revolving Loan commitments hereunder that result from a Refinancing Amendment.

"**Refinancing Revolving Loans**" means one or more Classes of Revolving Loans that result from a Refinancing Amendment.

"**Refinancing Term Commitments**" means one or more Classes of Term Loan commitments hereunder that result from a Refinancing Amendment.

"**Refinancing Term Loans**" means one or more Classes of Term Loans that result from a Refinancing Amendment.

"**Refunding Capital Stock**" has the meaning specified in Section 7.05(b)(2).

"**Register**" has the meaning specified in Section 10.07(c).

"**Registered Equivalent Notes**" means, with respect to any notes originally issued in a Rule 144A or other private placement transaction under the Securities Act, substantially identical notes (having the same Guarantees) issued in a dollar-for-dollar exchange therefor pursuant to an exchange offer registered with the SEC.

"**Rejection Notice**" has the meaning specified in Section 2.05(2)(g).

"**Related Business Assets**" means assets (other than Cash Equivalents) used or useful in a Similar Business;*provided* that any assets received by the Borrower or a Restricted Subsidiary in exchange for assets transferred by the Borrower or a Restricted Subsidiary will not be deemed to be Related Business Assets if they consist of securities of a Person, unless upon receipt of the securities of such Person, such Person is or would become a Restricted Subsidiary.

"**Related Indemnified Person**" of an Indemnitee means (1) any controlling Person or controlled Affiliate of such Indemnitee, (2) the respective directors, officers or employees of such Indemnitee or any of its controlling Persons or controlled Affiliates and (3) the respective agents of such Indemnitee or any of its controlling Persons or controlled Affiliates, in the case of this clause (3), acting at the instructions of such Indemnitee, controlling Person or such controlled Affiliate; *provided* that each reference to a controlled Affiliate or controlling Person in this definition pertains to a controlled Affiliate or controlling Person involved in the negotiation of this

Agreement or the syndication of the Facilities. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise.

"**Related Person**" means, with respect to any Person, (a) any Affiliate of such Person and (b) the respective directors, officers, employees, agents and other representatives of such Person or any of its Affiliates.

"**Release**" means any release, spill, emission, discharge, deposit, disposal, leaking, pumping, pouring, dumping, emptying, injection or leaching into the Environment.

"**Replaced Loans**" has the meaning specified in Section 10.01.

"**Replacement Loans**" has the meaning specified in Section 10.01.

"**Reportable Event**" means, with respect to any Pension Plan, any of the events set forth in Section 4043(c) of ERISA or the regulations issued thereunder, other than events for which the thirty (30) day notice period has been waived.

"**Repricing Transaction**" means (1) the incurrence by the Borrower of any Indebtedness (including any new or additional Term Loans under this Agreement, whether incurred directly or by way of the conversion of the Closing Date Term Loans into a new tranche of replacement Term Loans under this Agreement) (a) having an All-In Yield that is less than the All-In Yield applicable to the Closing Date Term Loans of the respective Type and (b) the proceeds of which are used to prepay (or, in the case of a conversion, deemed to prepay or replace), in whole or in part, the outstanding principal of the Closing Date Term Loans or (2) any effective reduction in the All-In Yield applicable to the Closing Date Term Loans (e.g., by way of amendment, waiver or otherwise); *provided* that a Repricing Transaction shall not include (i) any event described in clause (1) or (2) above that is not consummated for the primary purpose of lowering the All-In Yield applicable to the Closing Date Term Loans (as determined in good faith by the Borrower), including any such event consummated in connection with a Change of Control, Qualifying IPO or Enterprise Transformative Event or (ii) any Sale-Leaseback Transaction.

"**Request for Credit Extension**" means (a) with respect to a Borrowing, conversion or continuation of Term Loans or Revolving Loans, a Committed Loan Notice, (b) with respect to an L/C Credit Extension, a L/C Application and (c) with respect to a Swing Line Loan, a Swing Line Loan Notice.

"**Required Facility Lenders**" means, as of any date of determination, with respect to one or more Facilities (other than any Revolving Facility), Lenders having more than 50% of the sum of the (a) aggregate principal amount of outstanding Loans under such Facility or Facilities and (b) aggregate unused Commitments under such Facility or Facilities; *provided* that (i) to the same extent specified in Section 10.07(i) with respect to determination of Required Lenders, the Loans of any Affiliated Lender shall in each case be excluded for purposes of making a determination of Required Facility Lenders unless the action in question affects such Affiliated Lender in a disproportionately adverse manner than its effect on the other Lenders and (ii) the portion of outstanding Loans and the unused Commitments of any such Facility, as applicable, held or deemed held by a Defaulting Lender shall be excluded for purposes of making a determination of Required Facility Lenders.

"**Required Lenders**" means, as of any date of determination, Lenders having more than 50% of the sum of the (a) aggregate Term Loan Exposure and (b) aggregate Revolving Exposure of all Lenders; *provided* that (i) the aggregate Term Loan Exposure and Revolving Exposure of or held by any Defaulting Lender shall be excluded for purposes of making a determination of the "Required Lenders" and (ii) any determination of Required Lenders shall be subject to the limitations set forth in Section 10.07(h) with respect to Affiliated Lenders.

"**Required Revolving Lenders**" means, as of any date of determination, Lenders having or holding more than 50% of the aggregate Revolving Exposure of all Lenders; *provided* that the Revolving Exposure of or held by any Defaulting Lender shall be excluded for purposes of making a determination of Required Revolving Lenders.

"**Responsible Officer**" means, with respect to a Person, the chief executive officer, chief operating officer, president, vice president, chief financial officer, treasurer or assistant treasurer or other similar officer or Person performing similar functions, of such Person. With respect to any document delivered by a Loan Party on the Closing Date, Responsible Officer includes any secretary or assistant secretary of such Loan Party. Any document delivered hereunder that is signed by a Responsible Officer of a Loan Party shall be conclusively presumed to have been authorized by all necessary corporate, partnership or other action on the part of such Loan Party and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Loan Party. Unless otherwise specified, all references herein to a "Responsible Officer" shall refer to a Responsible Officer of the Borrower.

"**Restricted Investment**" means any Investment other than any Permitted Investment(s).

"**Restricted Payment**" has the meaning specified in Section 7.05.

"**Restricted Subsidiary**" means, at any time, any direct or indirect Subsidiary of the Borrower (including any Foreign Subsidiary) that is not then an Unrestricted Subsidiary; *provided* that notwithstanding the foregoing, in no event will (i) any Securitization Subsidiary, or (ii) any special purpose vehicle that borrows mortgage debt secured by fitness centers or exercise facilities and has no other activities be considered a Restricted Subsidiary for purposes of Section 8.01(5) or (7); *provided further* that upon the occurrence of an Unrestricted Subsidiary ceasing to be an Unrestricted Subsidiary, such Subsidiary will be included in the definition of "Restricted Subsidiary" Wherever the term "Restricted Subsidiary" is used herein with respect to any Subsidiary of a referenced Person that is not the Borrower, then it will be construed to mean a Person that would be a Restricted Subsidiary of the Borrower on a *pro forma* basis following consummation of one or a series of related transactions involving such referenced Person and the Borrower (but which transactions may include a designation of a Subsidiary of such Person as an Unrestricted Subsidiary on a *pro forma* basis in accordance with this Agreement).

"**Revolving Borrowing**" means a borrowing consisting of simultaneous Revolving Loans of the same Type and, in the case of Eurodollar Rate Loans, having the same Interest Period, made by each of the Revolving Lenders pursuant to Section 2.01(2).

"**Revolving Commitment**" means, as to each Revolving Lender, its obligation to (1) make Revolving Loans to the Borrower pursuant to Section 2.01(2) and (2) purchase participations in L/C Obligations in respect of Letters of Credit and purchase participations in Swing Line Loans, in an aggregate principal amount at any one time outstanding not to exceed the amount specified opposite such Lender's name on Schedule 2.01 under the caption "Closing Date Revolving Commitment" or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement. The aggregate Revolving Commitments of all Revolving Lenders as of the Closing Date is $250.0 million, as such amount may be adjusted from time to time in accordance with the terms of this Agreement.

"**Revolving Commitment Increase**" has the meaning specified in Section 2.14(1).

"**Revolving Exposure**" means, as to each Revolving Lender, the sum of the amount of the Outstanding Amount of such Revolving Lender's Revolving Loans and its Pro Rata Share or other applicable share provided for under this Agreement of the Dollar Amount of the L/C Obligations and the Swing Line Obligations at such time.

"**Revolving Facility**" means, at any time, the aggregate amount of the Revolving Commitments at such time.

"**Revolving Lender**" means, at any time, any Lender that has a Revolving Commitment at such time or, if Revolving Commitments have terminated, Revolving Exposure.

"**Revolving Loan**" has the meaning specified in Section 2.01(2) and includes Revolving Loans under the Closing Date Revolving Facility, Incremental Revolving Loans, Refinancing Revolving Loans and Loans made pursuant to Extended Revolving Commitments.

"**Revolving Note**" means a promissory note of the Borrower payable to any Revolving Lender or its registered assigns, in substantially the form of Exhibit B-2 hereto, evidencing the aggregate Indebtedness of the Borrower to such Revolving Lender resulting from the Revolving Loans made by such Revolving Lender.

"**Run-Rate Adjusted EBITDA**" means, with respect to any Person for any period, the Adjusted EBITDA of such Person and its Restricted Subsidiaries for such period increased by the Total New Facility Run-Rate Adjustment.

"**S&P**" means Standard & Poor's, a division of The McGraw-Hill Companies, Inc., and any successor to its rating agency business.

"**Sale-Leaseback Post-Closing Transaction**" means any Sale-Leaseback Transaction consummated after the Closing Date.

"**Sale-Leaseback Transaction**" means any arrangement providing for the leasing by the Borrower or any Restricted Subsidiary of any real or tangible personal property, which property has been or is to be sold or transferred by the Borrower or such Restricted Subsidiary to a third Person in contemplation of such leasing.

"**Same Day Funds**" means disbursements and payments in immediately available funds.

"**Sanctions**" has the meaning specified in Section 5.17.

"**SEC**" means the U.S. Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

"**Secured Cash Management Agreement**" means any Cash Management Agreement that is entered into by and between Holdings, the Borrower or any Restricted Subsidiary and a Cash Management Bank; and designated in writing by the Cash Management Bank and the Borrower to the Administrative Agent as a "Secured Cash Management Agreement."

"**Secured Hedge Agreement**" means any Hedge Agreement with respect to Hedging Obligations permitted under Section 7.02 that is (a) entered into by and between any Loan Party or Restricted Subsidiary and any Hedge Bank and (b) designated in writing by the Hedge Bank and the Borrower to the Administrative Agent as a "Secured Hedge Agreement."

"**Secured Indebtedness**" means any Indebtedness of the Borrower or any Restricted Subsidiary secured by a Lien.

"**Secured Parties**" means, collectively, the Administrative Agent, the Collateral Agent, the Lenders, each Hedge Bank, each Cash Management Bank, each Supplemental Administrative Agent and each co-agent or sub-agent appointed by the Administrative Agent from time to time pursuant to Section 9.01(2) or 9.07.

"**Securities Act**" means the Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.

"**Securitization Assets**" means (a) the accounts receivable, royalty or other revenue streams and other rights to payment and other assets related thereto subject to a Qualified Securitization Facility and the proceeds thereof and (b) contract rights, lockbox accounts and records with respect to such accounts receivable and any other assets customarily transferred together with accounts receivable in a securitization financing.

"**Securitization Facility**" means any transaction or series of securitization financings that may be entered into by the Borrower or any Restricted Subsidiary pursuant to which the Borrower or any such Restricted Subsidiary may sell, convey or otherwise transfer, or may grant a security interest in, Securitization Assets to either (a) a Person that is not the Borrower or a Restricted Subsidiary or (b) a Securitization Subsidiary that in turn sells such Securitization Assets to a Person that is not the Borrower or a Restricted Subsidiary, or may grant a security interest in, any Securitization Assets of the Borrower or any of its Subsidiaries.

"**Securitization Fees**" means distributions or payments made directly or by means of discounts with respect to any participation interest issued or sold in connection with, and other fees and expenses (including reasonable fees and expenses of legal counsel) paid to a Person that is not a Securitization Subsidiary in connection with, any Qualified Securitization Facility.

"**Securitization Subsidiary**" means any Subsidiary formed for the purpose of, and that solely engages only in one or more Qualified Securitization Facilities and other activities reasonably related thereto.

"**Security Agreement**" means, collectively, the Pledge and Security Agreement executed by the Loan Parties and the Collateral Agent, substantially in the form of Exhibit F, together with supplements or joinders thereto executed and delivered pursuant to Section 6.11.

"**Senior Notes**" means the $450.0 million 8.500% senior unsecured notes of the Borrower due 2023.

"**Senior Notes Indenture**" means the Indenture for the Senior Notes, dated as of June 10, 2015, between the Borrower and Wilmington Savings Fund Society FSB, as trustee, as the same may be amended, modified, supplemented, replaced or refinanced to the extent not prohibited by this Agreement.

"**Significant Subsidiary**" means any Restricted Subsidiary that would be a "significant subsidiary" as defined in Article 1, Rule1-02 of Regulation S-X of the SEC, as such regulation is in effect on the Closing Date.

"**Similar Business**" means (1) any business conducted or proposed to be conducted by the Borrower or any Restricted Subsidiary on the Closing Date or (2) any business or other activities that are reasonably similar, ancillary, incidental, complementary or related to (including non-core incidental businesses acquired in connection with any Permitted Investment), or a reasonable extension, development or expansion of, the businesses that the Borrower and its Restricted Subsidiaries conduct or propose to conduct on the Closing Date.

"**Solicited Discount Proration**" has the meaning specified in Section 2.05(1)(e)(D)(3).

"**Solicited Discounted Prepayment Amount**" has the meaning specified in Section 2.05(1)(e)(D)(1).

"**Solicited Discounted Prepayment Notice**" means a written notice of the Borrower of Solicited Discounted Prepayment Offers made pursuant to Section 2.05(1)(e)(D) substantially in the form of Exhibit L.

"**Solicited Discounted Prepayment Offer**" means the written offer by each Lender, substantially in the form ofExhibit O, submitted following the Administrative Agent's receipt of a Solicited Discounted Prepayment Notice.

"**Solicited Discounted Prepayment Response Date**" has the meaning specified in Section 2.05(1)(e)(D)(1).

"**Solvent**" and "**Solvency**" mean, with respect to any Person on any date of determination, that on such date:

(1) the fair value of the assets of such Person exceeds its debts and liabilities, subordinated, contingent or otherwise,

(2) the present fair saleable value of the property of such Person is greater than the amount that will be required to pay the probable liability of its debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured,

(3) such Person is able to pay its debts and liabilities, subordinated, contingent or otherwise, as such liabilities become absolute and matured and

(4) such Person is not engaged in, and is not about to engage in, business for which it has unreasonably small capital.

The amount of any contingent liability at any time shall be computed as the amount that would reasonably be expected to become an actual and matured liability.

"**SPC**" has the meaning specified in Section 10.07(g).

"**Specified Acquisition Agreement Representations**" means such of the representations and warranties made by the Acquired Company in the Transaction Agreement as are material to the interests of the Lenders, but only to the extent that Holdings or the Initial Borrower has the right, pursuant to the Transaction Agreement, to terminate its obligations under the Transaction Agreement or decline to consummate the Merger as a result of a breach of such representations and warranties.

"**Specified Businesses**" means the business units designated by the Borrower as Events, ChronoTrack and MyHealthCheck.

"**Specified Discount**" has the meaning specified in Section 2.05(1)(e)(B)(1).

"**Specified Discount Prepayment Amount**" has the meaning specified in Section 2.05(1)(e)(B)(1).

"**Specified Discount Prepayment Notice**" means a written notice of the Borrower's Offer of Specified Discount Prepayment made pursuant to Section 2.05(1)(e)(B) substantially in the form of Exhibit N.

"**Specified Discount Prepayment Response**" means the written response by each Lender, substantially in the form ofExhibit P, to a Specified Discount Prepayment Notice.

"**Specified Discount Prepayment Response Date**" has the meaning specified in Section 2.05(1)(e)(B)(1).

"**Specified Discount Proration**" has the meaning specified in Section 2.05(1)(e)(B)(3).

"**Specified Operating Facility Sale-Leaseback Transaction**" means one or more Sale-Leaseback Post-Closing Transactions, with respect to all or any portion of any real property owned by the Borrower or any Restricted Subsidiary on the Closing Date and on which there is a facility that is open and operational as of the Closing Date.

"**Specified Other Sale-Leaseback Transaction**" means one or more Sale-Leaseback Post-Closing Transactions that, in each case, is not a Specified Operating Facility Sale-Leaseback Transaction but, with respect to the Specified Sale-Leaseback Net Proceeds from which, the Borrower elects to make a Restricted Payment in accordance with Section 7.05(b)(24).

"**Specified Representations**" means those representations and warranties made by Holdings and the Initial Borrower in Sections 5.01(1) (with respect to the organizational existence of the Loan Parties only), 5.01(2)(b), 5.02(1), 5.02(2)(a) (with respect to the Loan Parties only and as related to the borrowing under, guaranteeing under, granting of security interests in the Collateral pursuant to, and performance of the Loan Documents by the Loan Parties), 5.02(2)(c) (for purposes of this definition, replacing the reference at the end of Section 5.02(2) to "Material Adverse Effect" with a reference to "Closing Date Material Adverse Effect"), 5.04, 5.13, 5.16, 5.17 and 5.18.

"**Specified Sale-Leaseback Net Proceeds**" means with respect to the sale component of any Specified Sale-Leaseback Transaction, the excess, if any, of (i) the sum of cash and Cash Equivalents received as purchase consideration in connection with such Specified Sale-Leaseback Transaction sale component pursuant to the applicable purchase and sale agreement over (ii) the sum of (A) the out-of-pocket fees and expenses (including attorneys' fees, investment banking fees, survey costs, title insurance premiums and related search and recording charges, transfer taxes, deed or mortgage recording taxes, other customary expenses and brokerage, consultant and other customary fees) actually incurred or required to be paid by the Borrower or any Restricted Subsidiary on behalf of a purchaser by the Borrower or any Restricted Subsidiary in connection with such Specified Sale-Leaseback Transaction, (B) taxes (including transfer taxes) or distributions made pursuant to clauses (a) and (b) of Section 7.05(b)(14) paid or reasonably estimated to be payable in connection therewith (including taxes imposed on the distribution or repatriation of any such Specified Sale-Leaseback Net Proceeds) and (C) any reserve for adjustment in respect of (x) the sale price of such asset or assets established in accordance with GAAP and (y) any liabilities associated with such asset or assets and retained by the Borrower or any Restricted Subsidiary after such Specified Sale-Leaseback Transaction, including liabilities related to environmental matters or against any indemnification obligations associated with such Specified Sale-Leaseback Transaction, it being understood that "Specified Sale-Leaseback Net Proceeds" shall include the amount of any reversal (without the satisfaction of any applicable liabilities in cash in a corresponding amount) of any reserve described in this clause (C). The net proceeds of any Sale-Leaseback Transaction will be determined giving effect to transaction expenses and the tax effect of such transactions (including taxes paid or payable as a result of such transactions).

"**Specified Sale-Leaseback Transaction**" means one or more Sale-Leaseback Transactions with respect to all or any portion of any real property owned by the Borrower or any Restricted Subsidiary on or after the Closing Date.

"**Specified Transaction**" means:

(1) solely for the purposes of determining the applicable cash balance, any contribution of capital, including as a result of an Equity Offering, to the Borrower, in each case, in connection with an acquisition or Investment,

(2) any designation of operations or assets of the Borrower or a Restricted Subsidiary as discontinued operations (as defined under GAAP),

(3) any Investment that results in a Person becoming a Restricted Subsidiary,

(4) any designation of a Subsidiary as a Restricted Subsidiary or an Unrestricted Subsidiary in compliance with this Agreement,

(5) any purchase or other acquisition of a business of any Person, of assets constituting a business unit, line of business or division of any Person,

(6) any Asset Sale (a) that results in a Restricted Subsidiary ceasing to be a Subsidiary of the Borrower or (b) of a business, business unit, line of business or division of the Borrower or a Restricted Subsidiary, in each case whether by merger, amalgamation, consolidation or otherwise,

(7) any operational changes identified by the Borrower that have been made by the Borrower or any Restricted Subsidiary during the Test Period,

(8) any borrowing of Incremental Loans or Permitted Incremental Equivalent Debt (or establishment of an Incremental Revolving Facility) or

(9) any other transaction that by the terms of this Agreement requires a financial ratio to be calculated on a*pro forma* basis.

"**Sterling**" means the lawful currency of the United Kingdom.

"**Submitted Amount**" has the meaning specified in Section 2.05(1)(e)(C)(1).

"**Submitted Discount**" has the meaning specified in Section 2.05(1)(e)(C)(1).

"**Subordinated Indebtedness**" means any Indebtedness of any Loan Party that by its terms is subordinated in right of payment to the Obligations of such Loan Party arising under the Loans or the Guaranty.

"**Subsidiary**" means, with respect to any Person:

(1) any corporation, association or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50.0% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, members of management or trustees thereof is at the time of determination owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof; and

(2) any partnership, joint venture, limited liability company or similar entity of which:

(a) more than 50.0% of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof whether in the form of membership, general, special or limited partnership or otherwise and

(b) such Person or any Restricted Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

Unless otherwise specified, all references herein to a "Subsidiary" or to "Subsidiaries" shall refer to a Subsidiary or Subsidiaries of the Borrower.

"**Subsidiary Guarantor**" means any Guarantor other than Holdings.

"**Successor Borrower**" has the meaning specified in Section 7.03(4).

"**Successor Holdings**" has the meaning specified in Section 7.03(5).

"**Supplemental Administrative Agent**" and "**Supplemental Administrative Agents**" have the meanings specified in Section 9.15(1).

"**Swap Obligation**" has the meaning specified in the definition of "Excluded Swap Obligation."

"**Swing Line Borrowing**" means a borrowing of a Swing Line Loan pursuant to Section 2.04.

"**Swing Line Facility**" means the swing line facility made available by the Swing Line Lender pursuant to Section 2.04.

"**Swing Line Lender**" means US Bank, and/or (as the context requires) any other Lender that becomes a Swing Line Lender in accordance with Section 2.04(8), or any successor Swing Line Lender hereunder.

"**Swing Line Loan**" has the meaning specified in Section 2.04(1).

"**Swing Line Loan Notice**" means a notice of a Swing Line Borrowing pursuant to Section 2.04(2), which, if in writing, shall be substantially in the form of Exhibit A-2.

"**Swing Line Note**" means a promissory note of the Borrower payable to any Swing Line Lender or its registered assigns, in substantially the form of Exhibit B-3, evidencing the aggregate Indebtedness of the Borrower to the Swing Line Lender resulting from the Swing Line Loans.

"**Swing Line Obligations**" means, as at any date of determination, the aggregate Outstanding Amount of all Swing Line Loans outstanding.

"**Swing Line Sublimit**" means an amount equal to the lesser of (a) $75,000,000 and (b) the aggregate amount of the Revolving Commitments. The Swing Line Sublimit is part of, and not in addition to, the Revolving Commitments.

"**Tax**" means any present or future tax, levy, impost, duty, assessment, charge, fee, deduction or withholding of any nature and whatever called, imposed by any Governmental Authority, including any interest, additions to tax and penalties applicable thereto.

"**Tax Group**" has the meaning specified in Section 7.05(b)(14)(b).

"**Tax Indemnitee**" as defined in Section 3.01(5).

"**Term Borrowing**" means a Borrowing of any Term Loans.

"**Term Commitment**" means, as to each Term Lender, its obligation to make a Term Loan to the Borrower hereunder, expressed as an amount representing the maximum principal amount of the Term Loan to be made by such Term Lender under this Agreement, as such commitment may be (a) reduced from time to time pursuant to this Agreement and (b) reduced or increased from time to time pursuant to (i) assignments by or to such Term Lender pursuant to an Assignment and Assumption, (ii) an Incremental Amendment, (iii) a Refinancing Amendment, (iv) an Extension Amendment or (v) an amendment in respect of Replacement Loans. The initial amount of each Term Lender's Term Commitment is its Closing Date Term Commitment or, otherwise, in the Assignment and Assumption (or Affiliated Lender Assignment and Assumption), Incremental Amendment, Refinancing Amendment, Extension Amendment or amendment in respect of Replacement Loans pursuant to which such Lender shall have assumed its Commitment, as the case may be.

"**Term Facility**" means any Facility consisting of Term Loans or Term Commitments.

"**Term Lender**" means, at any time, any Lender that has a Term Commitment or a Term Loan at such time.

"**Term Loan**" means any Closing Date Term Loan, Incremental Term Loan, Refinancing Term Loan, Extended Term Loan or Replacement Loan, as the context may require.

"**Term Loan Exposure**" means, with respect to any Lender, as of any date of determination, the outstanding principal amount of the Term Loans of such Lender; *provided* that at any time prior to the making of the Term Loans, the Term Loan Exposure of any Lender shall be equal to such Lender's Term Commitment, or, with regard to any Incremental Amendment at any time prior to the making of the applicable Incremental Term Loans thereunder, the Term Loan Exposure of any Lender with respect to such Incremental Facility shall be equal to such Lender's Incremental Term Loan Commitment thereunder.

"**Term Loan Increase**" has the meaning specified in Section 2.14(1).

"**Term Note**" means a promissory note of the Borrower payable to any Term Lender or its registered assigns, in substantially the form of Exhibit B-1 hereto, evidencing the aggregate Indebtedness of the Borrower to such Term Lender resulting from the Term Loans made by such Term Lender.

"**Termination Conditions**" means, collectively, (a) the payment in full in cash of the Obligations (other than (i) contingent indemnification obligations as to which no claim has been asserted and (ii) Obligations under Secured Hedge Agreements and Cash Management Obligations) and (b) the termination of the Commitments and the termination or expiration of all Letters of Credit under this Agreement (unless backstopped or Cash Collateralized in an amount equal to 103% of the maximum drawable amount of any such Letter of Credit or otherwise in an amount or in a manner reasonably acceptable to the relevant Issuing Banks).

"**Test Period**" in effect at any time means the Borrower's most recently ended four consecutive fiscal quarters (taken as one accounting period) for which, subject to Section 1.07(1), internal financial statements are available (as determined in good faith by the Borrower)*; provided* that prior to the first date on which financial statements have been furnished, the Test Period in effect will be the period of four consecutive fiscal quarters of the Borrower ended March 31, 2015.

"**Threshold Amount**" means $40.0 million.

"**Total Assets**" means, at any time, the total assets of the Borrower and the Restricted Subsidiaries, determined on a consolidated basis in accordance with GAAP, as shown on the then most recent balance sheet of the Borrower or such other Person as may be available (as determined in good faith by the Borrower).

"**Total Net Leverage Ratio**" means, with respect to any Test Period, the ratio of (a) Consolidated Total Debt outstanding as of the last day of such Test Period *minus* an aggregate amount of cash and Cash Equivalents included in the consolidated balance sheet of the Borrower as of such date, excluding cash and Cash Equivalents which are listed as "Restricted" on such balance sheet to (b) Run-Rate Adjusted EBITDA of the Borrower for such Test Period, in each case on a *pro forma* basis with such *pro forma* adjustments as are appropriate and consistent with Section 1.07.

"**Total New Facility Run-Rate Adjustment**" means, with respect to any Person for any period, the sum of the New Facility EBITDA Adjustments for each New Facility.

"**Total Revolving Outstandings**" means the aggregate Outstanding Amount of all Revolving Loans and L/C Obligations.

"**Traded Securities**" means any debt or equity securities issued pursuant to a public offering or Rule 144A offering.

"**Transaction Agreement**" means the Agreement and Plan of Merger, dated as of March 15, 2015, among Life Time, LTF Holdings, Inc., a Delaware corporation, and LTF Merger Sub, Inc., a Minnesota corporation, as amended, modified and supplemented from time to time.

"**Transaction Consideration**" means an amount equal to the total funds required to consummate the Merger as set forth in the Transaction Agreement.

"**Transaction Expenses**" means any fees, expenses, costs or charges incurred or paid by the Investors, any Parent Company, Holdings, the Borrower or any Restricted Subsidiary in connection with the Transactions, including any expenses in connection with hedging transactions, payments to officers, employees and directors as change of control payments, severance payments, special or retention bonuses and charges for repurchase or rollover of, or modifications to, stock options or restricted stock.

"**Transactions**" means, collectively, the transactions contemplated by the Transaction Agreement (as amended through the Closing Date) and transactions related or incidental to, or in connection with, such transactions, the funding of the Closing Date Loans, the issuance of the Senior Notes on the Closing Date, and the payment of Transaction Expenses.

"**Treasury Capital Stock**" has the meaning assigned to such term in Section 7.05(b)(2)(a).

"**TTM Run-Rate Adjusted EBITDA**" means, as of any date of determination, the Run-Rate Adjusted EBITDA of the Borrower for the Test Period.

"**Type**" means, with respect to a Loan, its character as a Base Rate Loan, a Eurodollar Rate Loan or a CDOR Loan.

"**Uniform Commercial Code**" or "**UCC**" means the Uniform Commercial Code or any successor provision thereof as the same may from time to time be in effect in the State of New York or the Uniform Commercial Code or any successor provision thereof (or similar code or statute) of another jurisdiction, to the extent it may be required to apply to any item or items of Collateral.

"**United States**" and "**U.S.**" mean the United States of America.

"**United States Tax Compliance Certificate**" has the meaning specified in Section 3.01(3)(b)(iii).

"**Unreimbursed Amount**" has the meaning specified in Section 2.03(3)(a).

"**Unrestricted Subsidiary**" means:

(1) any Subsidiary of the Borrower which at the time of determination is an Unrestricted Subsidiary (as designated by the Borrower, as provided below); and

(2) any Subsidiary of an Unrestricted Subsidiary.

The Borrower may designate:

(a) any Subsidiary of the Borrower (including any existing Subsidiary and any newly acquired or newly formed Subsidiary) to be an Unrestricted Subsidiary unless such Subsidiary or any of its Subsidiaries owns any Equity Interests or Indebtedness of, or owns or holds any Lien on, any property of, the Borrower or any Subsidiary (other than solely any Subsidiary of the Subsidiary to be so designated); *provided* that:

(i) such designation shall be deemed an Investment;

(ii) each of (i) the Subsidiary to be so designated and (ii) its Subsidiaries has not, at the time of designation, and does not thereafter, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable with respect to any Indebtedness pursuant to which the lender has recourse to any of the assets of the Borrower or any Restricted Subsidiary (other than Equity Interests in an Unrestricted Subsidiary); and

(iii) immediately after giving effect to such designation, no Event of Default under Section 8.01(1), or with respect to the Borrower only, Section 8.01(6), will have occurred and be continuing and the Borrower is in compliance on a *pro forma* basis with the Financial Covenant (whether or not applicable at such time); and

(b) any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that immediately after giving effect to such designation, no Event of Default under Section 8.01(1), or with respect to the Borrower only, Section 8.01(6), will have occurred and be continuing and either:

(i) the Borrower could incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in clause (A) of Section 7.02(a) or

(ii) the Borrower's Fixed Charge Coverage Ratio would be equal to or greater than its Fixed Charge Coverage Ratio immediately prior to such designation, in each case, on a *pro forma* basis taking into account such designation.

Any such designation by the Borrower will be notified by the Borrower to the Administrative Agent by promptly filing with the Administrative Agent a copy of the resolution of the Board of Directors or any committee thereof giving effect to such designation and an Officer's Certificate certifying that such designation complied with the foregoing provisions. The designation of any Unrestricted Subsidiary as a Restricted Subsidiary shall constitute the incurrence at the time of designation of any Indebtedness and Liens of such Subsidiary existing at such time.

"**U.S. Lender**" means any Lender that is not a Foreign Lender.

"**US Bank**" means U.S. Bank National Association.

"**USA PATRIOT Act**" means The Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Title III of Public Law No. 107-56 (signed into law October 26, 2001)), as amended or modified from time to time.

"**Voting Stock**" of any Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

"**Weighted Average Life to Maturity**" means, when applied to any Indebtedness, Disqualified Stock or Preferred Stock, as the case may be, at any date, the quotient obtained by dividing:

(1) the sum of the products of the number of years (calculated to the nearest one-twenty-fifth) from the date of determination to the date of each successive scheduled principal payment of such Indebtedness or redemption or similar payment with respect to such Disqualified Stock or Preferred Stock, *multiplied by* the amount of such payment, *by*

(2) the sum of all such payments;

provided that for purposes of determining the Weighted Average Life to Maturity of any Indebtedness that is being Refinanced (the "**Applicable Indebtedness**"), the effects of any amortization or prepayments made on such Applicable Indebtedness prior to the date of the applicable Refinancing will be disregarded.

"**wholly owned**" means, with respect to any Subsidiary of any Person, a Subsidiary of such Person one hundred percent (100%) of the outstanding Equity Interests of which (other than (x) directors' qualifying shares and (y) shares of Capital Stock of Foreign Subsidiaries issued to foreign nationals as required by applicable Law) is at the time owned by such Person or by one or more wholly owned Subsidiaries of such Person.

"**Withdrawal Liability**" means the liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such term is defined in Part I of Subtitle E of Title IV of ERISA.

"**Yen**" means the lawful currency of Japan.

SECTION 1.02 Other Interpretive Provisions. With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document:

(1) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms.

(2) The words "herein," "hereto," "hereof" and "hereunder" and words of similar import when used in any Loan Document shall refer to such Loan Document as a whole and not to any particular provision thereof.

(3) References in this Agreement to an Exhibit, Schedule, Article, Section, Annex, clause or subclause refer (a) to the appropriate Exhibit or Schedule to, or Article, Section, clause or subclause in this Agreement or (b) to the extent such references are not present in this Agreement, to the Loan Document in which such reference appears, in each case as such Exhibit, Schedule, Article, Section, Annex, clause or subclause may be amended or supplemented from time to time.

(4) The term "including" is by way of example and not limitation.

(5) The term "documents" includes any and all instruments, documents, agreements, certificates, notices, reports, financial statements and other writings, however evidenced, whether in physical or electronic form.

(6) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including"; the words "to" and "until" each mean "to but excluding"; and the word "through" means "to and including".

(7) Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

(8) The word "or" is not intended to be exclusive unless expressly indicated otherwise.

(9) With respect to any Default or Event of Default, the words "exists", "is continuing" or similar expressions with respect thereto shall mean that the Default or Event of Default has occurred and has not yet been cured or waived. If any Default or Event of Default occurs due to (i) the failure by any Loan Party to take any action by a specified time, such Default or Event of Default shall be deemed to have been cured at the time, if any, that the applicable Loan Party takes such action or (ii) the taking of any action by any Loan Party that is not then permitted by the terms of this Agreement or any other Loan Document, such Default or Event of Default shall be deemed to be cured on the earlier to occur of (x) the date on which such action would be permitted at such time to be taken under this Agreement and the other Loan Documents and (y) the date on which such action is unwound or otherwise modified to the extent necessary for such revised action to be permitted at such time by this Agreement and the other Loan Documents. If any Default or Event of Default occurs that is subsequently cured (a "**Cured Default**"), any other Default or Event of Default resulting from the making or deemed making of any representation or warranty by any Loan Party or the taking of any action by any Loan Party or any Subsidiary of any Loan Party, in each case which subsequent Default or Event of Default would not have arisen had the Cured Default not occurred, shall be deemed to be cured automatically upon, and simultaneous with, the cure of the Cured Default.

(10) For purposes of determining compliance with any Section of Article VII, in the event that any Lien, Investment, Indebtedness, Asset Sale, Restricted Payment, Affiliate Transaction, Contractual Obligation or prepayment of Indebtedness meets the criteria of one or more of the categories of transactions permitted pursuant to any clause of such Sections, such transaction (or portion thereof) at any time, shall be permitted under one or more of such clauses as determined by the Borrower in its sole discretion at such time. For purposes of determining compliance with the incurrence of any Credit Agreement Refinancing Indebtedness or Refinancing Indebtedness that restricts the amount of such Indebtedness relative to the amount of Credit Agreement Refinanced Debt or Refinanced Debt, respectively, the Borrower and Restricted Subsidiaries may incur an incremental principal amount of Credit Agreement Refinancing Indebtedness or Refinancing Indebtedness in such refinancing to the extent that the excess portion of the Credit Agreement Refinancing Indebtedness or Refinancing Indebtedness would otherwise be permitted to be incurred in accordance with this Agreement. For purposes of determining compliance with the incurrence of any Indebtedness under Designated Revolving Commitments in reliance on compliance with any ratio, if on the date such Designated Revolving Commitments are established after giving *pro forma* effect to the incurrence of the entire committed amount of then proposed Indebtedness thereunder, then such committed amount under such Designated Revolving Commitments may thereafter be borrowed and reborrowed, in whole or in part, from time to time, without further compliance with any ratio.

(11) For purposes hereof, unless otherwise specifically indicated, the term "consolidated" with respect to any Person refers to such Person consolidated with its Restricted Subsidiaries and excludes from such consolidation any Unrestricted Subsidiary as if such Unrestricted Subsidiary were not an Affiliate of such Person.

SECTION 1.03 Accounting Terms. All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP, except as otherwise specifically prescribed herein. Unless the context indicates otherwise, any reference to a "fiscal year" or a "fiscal quarter" shall refer to a fiscal year ending December 31 or fiscal quarter ending March 31, June 30, September 30 or December 31 of the Borrower.

SECTION 1.04 Rounding. Any financial ratios required to be satisfied in order for a specific action to be permitted under this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

SECTION 1.05 References to Agreements, Laws, etc. Unless otherwise expressly provided herein, (1) references to Organizational Documents, agreements (including the Loan Documents) and other contractual instruments shall be deemed to include all subsequent amendments, restatements, extensions, supplements and other modifications thereto, but only to the extent that such amendments, restatements, extensions, supplements and other modifications are permitted by any Loan Document; and (2) references to any Law shall include all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting such Law.

SECTION 1.06 Times of Day and Timing of Payment and Performance. Unless otherwise specified, all references herein to times of day shall be references to New York time (daylight or standard, as applicable). When the payment of any obligation or the performance of any covenant, duty or obligation is stated to be due or performance required on a day which is not a Business Day, the date of such payment (other than as described in the definition of "Interest Period") or performance shall extend to the immediately succeeding Business Day.

SECTION 1.07 Pro Forma and Other Calculations.

(1) Notwithstanding anything to the contrary herein, financial ratios and tests, including the First Lien Net Leverage Ratio, the Total Net Leverage Ratio and the Fixed Charge Coverage Ratio shall be calculated in the manner prescribed by this Section 1.07*; provided* that notwithstanding anything to the contrary in clauses (2), (3), (4), (5) or (7) of this Section 1.07, when calculating the First Lien Net Leverage Ratio for purposes of (a) the definition of "Applicable Rate," (b) Section 2.05(2)(a) and (c) the Financial Covenant (other than for the purpose of determining *pro forma* compliance with the Financial Covenant), the events described in this Section 1.07 that occurred subsequent to the end of the applicable Test Period shall not be given *pro forma* effect; *provided*, *however*, that voluntary prepayments made pursuant to Section 2.05(1) during any fiscal year (without duplication of any prepayments in such fiscal year that reduced the amount of Excess Cash Flow required to be repaid pursuant to Section 2.05(2)(a) for any prior fiscal year) shall be given *pro forma* effect after such fiscal year-end and prior to the time such prepayment pursuant to Section 2.05(2)(a) is due but shall not be given *pro forma* effect thereafter. In addition, whenever a financial ratio or test is to be calculated on a*pro forma* basis, the reference to "Test Period" for purposes of calculating such financial ratio or test shall be deemed to be a reference to, and shall be based on, the most recently ended Test Period for which internal financial statements of the Borrower are available (as determined in good faith by the Borrower) (it being understood that for purposes of determining *pro forma* compliance with the Financial Covenant, if no Test Period with an applicable level cited in the Financial Covenant has passed, the applicable level shall be the level for the first Test Period cited in the Financial Covenant with an indicated level).

(2) For purposes of calculating any financial ratio or test (or Total Assets), Specified Transactions (and, subject to clause (4) below, the incurrence or repayment of any Indebtedness in connection therewith) that have been made (a) during the applicable Test Period or (b) subsequent to such Test Period and prior to or simultaneously with the event for which the calculation of any such ratio is made shall be calculated on a *pro forma* basis assuming that all such Specified Transactions (and any increase or decrease in Run-Rate Adjusted EBITDA and the component financial definitions used therein attributable to any Specified Transaction) had occurred on the first day of the applicable Test Period (or, in the case of Total Assets, on the last day of the applicable Test Period). If since the beginning of any applicable Test Period any Person that subsequently became a Restricted Subsidiary or was merged, amalgamated or consolidated with or into the Borrower or any Restricted Subsidiary since the

beginning of such Test Period shall have made any Specified Transaction that would have required adjustment pursuant to this Section 1.07, then such financial ratio or test (or Total Assets) shall be calculated to give *pro forma* effect thereto in accordance with this Section 1.07 as if such Specified Transaction had occurred at the beginning of the most recently ended Test Period.

(3) Whenever *pro forma* effect is to be given to a Specified Transaction, the *pro forma* calculations shall be made in good faith by a Financial Officer of the Borrower and may include, for the avoidance of doubt, the amount of "run-rate" cost savings, synergies and operating expense reductions resulting from or related to any such Specified Transaction (including the Transactions) which is being given *pro forma* effect that have been realized or are expected to be realized and for which the actions necessary to realize such cost savings, operating expense reductions and synergies are taken, committed to be taken or with respect to which substantial steps have been taken or are expected to be taken no later than twenty-four (24) months after the date of any such Specified Transaction(calculated on a *pro forma* basis as though such cost savings, operating expense reductions and synergies had been realized on the first day of such period and as if such cost savings, operating expense reductions and synergies were realized during the entirety of such period and "run-rate" means the full recurring benefit for a period that is associated with any action taken, committed to be taken or with respect to which substantial steps have been taken or are expected to be taken (including any savings expected to result from the elimination of a public target's compliance costs with public company requirements) net of the amount of actual benefits realized during such period from such actions, and any such adjustments shall be included in the initial *pro forma* calculations of such financial ratios or tests and during any subsequent Test Period in which the effects thereof are expected to be realized) relating to such Specified Transaction; *provided* that (a) such amounts are (i) reasonably identifiable and factually supportable in the good faith judgment of the Borrower and (ii) such actions are taken, committed to be taken or with respect to which substantial steps have been taken or are expected to be taken no later than twenty-four (24) months after the date of such Specified Transaction and (b) no amounts shall be added to the extent duplicative of any amounts that are otherwise added back in computing Run-Rate Adjusted EBITDA (or any other components thereof), whether through a *pro forma* adjustment or otherwise, with respect to such period.

(4) In the event that (a) the Borrower or any Restricted Subsidiary incurs (including by assumption or guarantees), issues or repays (including by redemption, repurchase, repayment, retirement or extinguishment) any Indebtedness (other than Indebtedness incurred or repaid under any revolving credit facility or line of credit unless such Indebtedness has been permanently repaid and not replaced), (b) the Borrower or any Restricted Subsidiary issues, repurchases or redeems Disqualified Stock, (c) any Restricted Subsidiary issues, repurchases or redeems Preferred Stock or (d) the Borrower or any Restricted Subsidiary establishes or eliminates any Designated Revolving Commitments, in each case included in the calculations of any financial ratio or test, (i) during the applicable Test Period or (ii) subsequent to the end of the applicable Test Period and prior to or simultaneously with the event for which the calculation of any such ratio is made, then such financial ratio or test shall be calculated giving *pro forma* effect to such incurrence, issuance, repayment or redemption of Indebtedness, issuance, repurchase or redemption of Disqualified Stock or Preferred Stock, or establishment or elimination of any Designated Revolving Commitments, in each case to the extent required, as if the same had occurred on the last day of the applicable Test Period (except in the case of the Fixed Charge Coverage Ratio (or similar ratio), in which case such incurrence, issuance, repayment or redemption of Indebtedness, issuance, repurchase or redemption of Disqualified Stock or Preferred Stock, or establishment or elimination of any Designated Revolving Commitments, in each case will be given effect, as if the same had occurred on the first day of the applicable Test Period) and, in the case of Indebtedness for all purposes as if such Indebtedness in the full amount of any undrawn Designated Revolving Commitments had been incurred thereunder throughout such period; *provided*, *however*, that at the election of the Borrower, the *pro forma* calculation will not give effect to any Indebtedness incurred on such determination date pursuant to the provisions described in Section 7.02(b).

(5) If any Indebtedness bears a floating rate of interest and is being given *pro forma* effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the date of the event for which the calculation of the Fixed Charge Coverage Ratio is made had been the applicable rate for the entire period (taking into account any interest hedging arrangements applicable to such Indebtedness). Interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a Financial Officer of the Borrower to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP. Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rate shall be determined to have been based upon the rate actually chosen, or if none, then based upon such optional rate chosen as the Borrower or applicable Restricted Subsidiary may designate.

(6) Notwithstanding anything to the contrary in this Section 1.07 or in any classification under GAAP of any Person, business, assets or operations in respect of which a definitive agreement for the disposition thereof has been entered into, no *pro forma* effect shall be given to any discontinued operations (and the Run-Rate Adjusted EBITDA attributable to any such Person, business, assets or operations shall not be excluded for any purposes hereunder) until such disposition shall have been consummated.

(7) Any determination of Total Assets shall be made by reference to the last day of the Test Period most recently ended for which internal financial statements of the Borrower are available (as determined in good faith by the Borrower) on or prior to the relevant date of determination.

(8) Notwithstanding anything in this Agreement or any Loan Document to the contrary, when (a) calculating any applicable ratio, Consolidated Net Income or Run-Rate Adjusted EBITDA in connection with incurrence of Indebtedness, the creation of Liens, the making of any Asset Sale, the making of an Investment, the making of a Restricted Payment, the designation of a Subsidiary as restricted or unrestricted or the repayment of Indebtedness, (b) determining compliance with any provision of this Agreement which requires that no Default or Event of Default has occurred, is continuing or would result therefrom, (c) determining compliance with any provision of this Agreement which requires compliance with any representations and warranties set forth herein or (d) the satisfaction of all other conditions precedent to the incurrence with of Indebtedness, the creation of Liens, the making of any disposition, the making of an Investment, the making of a Restricted Payment, the designation of a Subsidiary as restricted or unrestricted or the repayment of Indebtedness, in each case in connection with a Limited Condition Acquisition, the date of determination of such ratio or other provisions, determination of whether any Default or Event of Default has occurred, is continuing or would result therefrom, determination of compliance with any representations or warranties or the satisfaction of any other conditions shall, at the option of the Borrower (the Borrower's election to exercise such option in connection with any Limited Condition Acquisition, an "**LCA Election**"), be deemed to be the date the definitive agreements for such Limited Condition Acquisition are entered into (the "**LCA Test Date**"). If on a *pro forma* basis after giving effect to such Limited Condition Acquisition and the other transactions to be entered into in connection therewith (including any incurrence of Indebtedness and the use of proceeds thereof) such ratios and other provisions are calculated as if such Limited Condition Acquisition or other transactions had occurred at the beginning of the most recent Test Period ending prior to the LCA Test Date for which financial statements are available, the Borrower could have taken such action on the relevant LCA Test Date in compliance with the applicable ratios or other provisions, such provisions shall be deemed to have been complied with, unless an Event of Default pursuant to Section 8.01(1), or, solely with respect to the Borrower, Section 8.01(6), shall be continuing on the date such Limited Condition Acquisition is consummated. For the avoidance of doubt, (i) if any of such ratios or other provisions are exceeded or breached as a result of fluctuations in such ratio (including due to fluctuations in Run-Rate Adjusted EBITDA or other components of such ratio) or other provisions at or prior to the consummation of the relevant Limited Condition Acquisition, such ratios and other provisions will not be deemed to have been exceeded as a result of such fluctuations solely for purposes of determining whether the Limited Condition Acquisition is permitted hereunder and (ii) such ratios and compliance with such conditions shall not be tested at the time of consummation of such Limited Condition Acquisition or related Specified Transactions, unless on such date an Event of Default pursuant to Section 8.01(1) or 8.01(6) shall be continuing. If the Borrower has made an LCA Election for any Limited Condition Acquisition, then in connection with any subsequent calculation of any ratio or Basket availability with respect to any other Specified Transaction on or following the relevant LCA Test Date and prior to the earlier of the date on which such Limited Condition Acquisition is consummated or the date that the definitive agreement for such Limited Condition Acquisition is terminated or expires without consummation of such Limited Condition Acquisition, any such ratio or Basket shall be calculated on a *pro forma basis* assuming such Limited Condition Acquisition and other transactions in connection therewith (including any incurrence of Indebtedness and the use of proceeds thereof) had been consummated on the LCA Test Date; *provided* that for purposes of any such calculation of the Fixed Charge Coverage Ratio, Consolidated Interest Expense will be calculated using an assumed interest rate for the Indebtedness to be incurred in connection with such Limited Condition Acquisition based on the indicative interest margin contained in any financing commitment documentation with respect to such Indebtedness or, if no such indicative interest margin exists, as reasonably determined by the Borrower in good faith. Notwithstanding anything in this Agreement or any Loan Document to the contrary, if the Borrower or its Restricted Subsidiaries (x) incurs

Indebtedness, creates Liens, makes Asset Sales, makes Investments, makes Restricted Payments, designates any Subsidiary as restricted or unrestricted or repays any Indebtedness in connection with any Limited Condition Acquisition under a ratio-based Basket and (y) incurs Indebtedness, creates Liens, makes Asset Sales, Investments or Restricted Payments, designates any Subsidiary as restricted or unrestricted or repays any Indebtedness in connection with such Limited Condition Acquisition under a non-ratio-based Basket (which shall occur within five Business Days of the events in clause (x) above), then the applicable ratio will be calculated with respect to any such action under the applicable ratio-based Basket without regard to any such action under such non-ratio-based Basket made in connection with such Limited Condition Acquisition.

SECTION 1.08 Available Amount Transaction. If more than one action occurs on any given date the permissibility of the taking of which is determined hereunder by reference to the amount specified in Section 7.05(a) immediately prior to the taking of such action, the permissibility of the taking of each such action shall be determined independently and in no event may any two or more such actions be treated as occurring simultaneously, i.e., each transaction must be permitted under Section 7.05(a) as so calculated.

SECTION 1.09 Guaranties of Hedging Obligations. Notwithstanding anything else to the contrary in any Loan Document, no non-Qualified ECP Guarantor shall be required to guarantee or provide security for Excluded Swap Obligations, and any reference in any Loan Document with respect to such non-Qualified ECP Guarantor guaranteeing or providing security for the Obligations shall be deemed to be all Obligations other than the Excluded Swap Obligations.

SECTION 1.10 Currency Generally.

(1) The Administrative Agent shall determine the Dollar Amount of each Revolving Loan denominated in an Alternative Currency and L/C Obligation in respect of Letters of Credit denominated in an Alternative Currency (a) as of the first day of each Interest Period applicable thereto and (b) as of the end of each fiscal quarter of the Borrower, and shall promptly notify the Borrower and the Lenders of each Dollar Amount so determined by it. Each such determination shall be based on the Exchange Rate (i) on the date of the related Request for Credit Extension for purposes of the initial such determination for any Revolving Loan or Letter of Credit and (ii) on the fourth Business Day prior to the date as of which such Dollar Amount is to be determined, for purposes of any subsequent determination.

(2) If after giving effect to any such determination of a Dollar Amount, the Total Revolving Outstandings exceed the aggregate amount of Revolving Commitments then in effect by 5.0% or more, the Borrower shall, within five Business Days of receipt of notice thereof from the Administrative Agent setting forth such calculation in reasonable detail, prepay the applicable outstanding Dollar Amount of the Revolving Loans denominated in Alternative Currencies or take other action as the Administrative Agent, in its discretion, may direct (including Cash Collateralization of the applicable L/C Obligations in amounts from time to time equal to such excess) to the extent necessary to eliminate any such excess.

(3) The Borrower shall determine in good faith the Dollar Amount of any utilization or other measurement denominated in a currency other than Dollars for purposes of compliance with any Basket. For purposes of determining compliance with any Basket under Article VII or VIII with respect to any amount expressed in a currency other than Dollars, no Default shall be deemed to have occurred solely as a result of changes in rates of currency exchange occurring after the time such Basket utilization occurs or other Basket measurement is made (so long as such Basket utilization or other measurement, at the time incurred, made or acquired, was permitted hereunder). Except with respect to any ratio calculated under any Basket, any subsequent change in rates of currency exchange with respect to any prior utilization or other measurement of a Basket previously made in reliance on such Basket (as the same may have been reallocated in accordance with this Agreement) shall be disregarded for purposes of determining any unutilized portion under such Basket.

(4) For purposes of determining the First Lien Net Leverage Ratio and the Total Net Leverage Ratio, the amount of Indebtedness and cash and Cash Equivalents shall reflect the currency translation effects, determined in accordance with GAAP, of Hedging Obligations permitted hereunder for currency exchange risks with respect to the applicable currency in effect on the date of determination of the Dollar equivalent of such Indebtedness.

SECTION 1.11 Letters of Credit. Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the amount of the stated amount of such Letter of Credit in effect at such time after giving effect to any automatic reductions to such stated amount pursuant to the terms of the applicable Letter of Credit after the occurrence of any applicable condition (including the expiration of any applicable period); *provided*, *however*, that with respect to any Letter of Credit that, by its terms or the terms of any Issuing Bank Document related thereto, provides for one or more automatic increases in the stated amount thereof, the amount of such Letter of Credit shall be deemed to be the amount of the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at such time.

ARTICLE II

The Commitments and Borrowings

SECTION 2.01 The Loans.

(1) Term Borrowings. Subject to the terms and conditions set forth in Section 4.01 hereof, each Term Lender severally agrees to make to the Borrower on the Closing Date one or more Closing Date Term Loans denominated in Dollars in an aggregate principal amount equal to such Term Lender's Closing Date Term Commitment on the Closing Date. Amounts borrowed under this Section 2.01(1) and repaid or prepaid may not be reborrowed. The Closing Date Term Loans may be Base Rate Loans or Eurodollar Rate Loans, as further provided herein.

(2) Revolving Borrowings. Subject to the terms and conditions set forth herein, each Revolving Lender severally agrees to make loans denominated in Dollars or one or more Alternative Currencies pursuant to Section 2.02 from its applicable Lending Office (each such loan, a "**Revolving Loan**") to the Borrower from time to time, on any Business Day during the period from the Closing Date until the Maturity Date, in an aggregate principal Dollar Amount not to exceed at any time outstanding the amount of such Lender's Revolving Commitment; *provided* that after giving effect to any Revolving Borrowing, (a) the aggregate principal Dollar Amount of Total Revolving Outstandings denominated in Canadian Dollars will not exceed $25.0 million and (b) the aggregate Outstanding Amount of the Revolving Loans of any Lender, plus such Lender's Pro Rata Share or other applicable share provided for under this Agreement of the Outstanding Amount of all L/C Obligations, *plus*, in the case of each Lender other than the Swing Line Lender, such Lender's Pro Rata Share or other applicable share provided for under this Agreement of the Outstanding Amount of all Swing Line Loans, shall not exceed such Lender's Revolving Commitment. Within the limits of each Lender's Revolving Commitment, and subject to the other terms and conditions hereof, the Borrower may borrow under this Section 2.01(2), prepay under Section 2.05 and reborrow under this Section 2.01(2). Revolving Loans may be Base Rate Loans, Eurodollar Rate Loans or CDOR Loans, as further provided herein.

SECTION 2.02 Borrowings, Conversions and Continuations of Loans.

(1) Each Term Borrowing, each Revolving Borrowing, each conversion of Term Loans or Revolving Loans from one Type to the other, and each continuation of Eurodollar Rate Loans and CDOR Loans shall be made upon the Borrower's irrevocable notice, on behalf of the Borrower, to the Administrative Agent (*provided* that the notice in respect of the initial Credit Extension, or in connection with any Permitted Acquisition or other transaction permitted under this Agreement, may be conditioned on the closing of the Merger or such Permitted Acquisition or other transaction, as applicable), which may be given by telephone. Each such notice must be received by the Administrative Agent not later than 12:00 p.m., New York time, (a) three (3) Business Days prior to the requested date of any Borrowing or continuation of Eurodollar Rate Loans or CDOR Loans or any conversion of Base Rate Loans to Eurodollar Rate Loans and (b) on the requested date of any Borrowing of Base Rate Loans; *provided* that the notice referred to in subclause (a) above may be delivered on or prior to the Closing Date in the case of the Closing Date Term Loans. Each telephonic notice by the Borrower pursuant to this Section 2.02(1) must be confirmed promptly by delivery to the Administrative Agent of a written Committed Loan Notice, appropriately completed and signed by a Responsible Officer of the Borrower. Except as provided in Sections 2.14, 2.15 and 2.16, each Borrowing of, conversion to or continuation of Eurodollar Rate Loans or CDOR Loans shall be in a principal Dollar Amount of $5.0 million or a whole multiple Dollar Amount of $1.0 million in excess thereof

(*provided* that any continuation of Eurodollar Rate Loans or CDOR Loans funded in an Available Currency other than Dollars may be for the entire Dollar Amount of such Eurodollar Rate Loans or CDOR Loans then outstanding in such Available Currency). Except as provided in Sections 2.03(3), 2.14, 2.15 and 2.16, each Borrowing of or conversion to Base Rate Loans shall be in a principal Dollar Amount of $1.0 million or a whole multiple Dollar Amount of $500,000 in excess thereof. Each Committed Loan Notice (whether telephonic or written) shall specify

(i) whether the Borrower is requesting a Term Borrowing, a Revolving Borrowing, a conversion of Term Loans or Revolving Loans from one Type to the other or a continuation of Eurodollar Rate Loans or CDOR Loans,

(ii) the requested date of the Borrowing, conversion or continuation, as the case may be (which shall be a Business Day),

(iii) the principal amount of Loans to be borrowed, converted or continued,

(iv) in the case of Revolving Loans, the currency in which the Revolving Loans to be borrowed are to be denominated,

(v) the Class and Type of Loans to be borrowed or to which existing Term Loans or Revolving Loans are to be converted,

(vi) if applicable, the duration of the Interest Period with respect thereto and

(vii) wire instructions of the account(s) to which funds are to be disbursed.

If the Borrower fails to specify a Type of Loan to be made in a Committed Loan Notice, then the applicable Loans shall be made as Eurodollar Rate Loans with an Interest Period of one (1) month. If the Borrower fails to give a timely notice requesting a conversion or continuation, then the applicable Loans shall be made or continued as the same Type of Loan, which if a Eurodollar Rate Loan or CDOR Loan, shall have a one-month Interest Period. Any such automatic continuation of Eurodollar Rate Loans or CDOR Loans shall be effective as of the last day of the Interest Period then in effect with respect to the applicable Eurodollar Rate Loans or CDOR Loans. If the Borrower requests a Borrowing of, conversion to, or continuation of Eurodollar Rate Loans or CDOR Loans in any such Committed Loan Notice, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one (1) month. If no currency is specified in a Committed Loan Notice for Revolving Borrowings, the requested Borrowing shall be in Dollars.

(2) Following receipt of a Committed Loan Notice, the Administrative Agent shall promptly notify each Lender of the amount of its Pro Rata Share or other applicable share provided for under this Agreement of the applicable Class of Loans, and if no timely notice of a conversion or continuation is provided by the Borrower, the Administrative Agent shall notify each Lender of the details of any automatic continuation of Eurodollar Rate Loans or CDOR Loans or continuation of Loans described in Section 2.02(1). In the case of each Borrowing, each Appropriate Lender shall make the amount of its Loan available to the Administrative Agent in Same Day Funds at the Administrative Agent's Office not later than, in the case of Borrowing on the Closing Date, 10:00 a.m., New York time, and otherwise 2:00 p.m., New York time, on the Business Day specified in the applicable Committed Loan Notice. Upon satisfaction of the applicable conditions set forth in Section 4.01 for the Borrowing on the Closing Date, the Administrative Agent shall make all funds so received available to the applicable Borrower in like funds as received by the Administrative Agent either by (a) crediting the account(s) of the applicable Borrower on the books of the Administrative Agent with the amount of such funds or (b) wire transfer of such funds, in each case in accordance with instructions provided by the Borrower to (and reasonably acceptable to) the Administrative Agent; *provided* that if on the date the Committed Loan Notice with respect to a Borrowing under a Revolving Facility is given by the Borrower (other than with respect to the Closing Date Revolving Borrowing), there are L/C Borrowings outstanding, then the proceeds of such Borrowing shall be applied, first, to the payment in full of any such L/C Borrowing and second, to the Borrower as provided above.

(3) Except as otherwise provided herein, a Eurodollar Rate Loan or a CDOR Loan may be continued or converted only on the last day of an Interest Period for such Eurodollar Rate Loan or CDOR Loan, unless the Borrower pays the amount due, if any, under Section 3.05 in connection therewith. Upon the occurrence and during the continuation of an Event of Default, the Administrative Agent at the direction of the Required Revolving Lenders or the Required Facility Lenders (as applicable) under the applicable Facility may require by notice to the Borrower that no Loans under such Facility may be converted to or continued as Eurodollar Rate Loans or CDOR Loans.

(4) The Administrative Agent shall promptly notify the Borrower and the Lenders of the interest rate applicable to any Interest Period for Eurodollar Rate Loans and CDOR Loans upon determination of such interest rate. The determination of the Eurodollar Rate and CDOR Rate by the Administrative Agent shall be conclusive in the absence of manifest error. At any time when Base Rate Loans are outstanding, the Administrative Agent shall notify the Borrower and the Lenders of any change in the Administrative Agent's prime rate used in determining the Base Rate promptly following the public announcement of such change.

(5) After giving effect to all Term Borrowings, all Revolving Borrowings, all conversions of Term Loans or Revolving Loans from one Type to the other, and all continuations of Term Loans or Revolving Loans as the same Type, there shall not be more than ten (10) Interest Periods in effect unless otherwise agreed between the Borrower and the Administrative Agent; *provided* that after the establishment of any new Class of Loans pursuant to an Incremental Amendment, a Refinancing Amendment, an Extension Amendment or an amendment in respect of Replacement Loans, the number of Interest Periods otherwise permitted by this Section 2.02(5) shall increase by three (3) Interest Periods for each applicable Class so established.

(6) The failure of any Lender to make the Loan to be made by it as part of any Borrowing shall not relieve any other Lender of its obligation, if any, hereunder to make its Loan on the date of such Borrowing, but no Lender shall be responsible for the failure of any other Lender to make the Loan to be made by such other Lender on the date of any Borrowing.

(7) Unless the Administrative Agent shall have received notice from a Lender prior to the date of any Borrowing, or, in the case of any Borrowing of Base Rate Loans, prior to 1:00 p.m., New York time, on the date of such Borrowing, that such Lender will not make available to the Administrative Agent such Lender's Pro Rata Share of such Borrowing, the Administrative Agent may assume that such Lender has made such Pro Rata Share available to the Administrative Agent on the date of such Borrowing in accordance with paragraph (2) above, and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If the Administrative Agent shall have so made funds available, then, to the extent that such Lender shall not have made such portion available to the Administrative Agent, each of such Lender and the Borrower severally agrees to repay to the Administrative Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to the Borrower until the date such amount is repaid to the Administrative Agent at (a) in the case of the Borrower, the interest rate applicable at the time to the Loans comprising such Borrowing and (b) in the case of such Lender, the Overnight Rate *plus* any administrative, processing or similar fees customarily charged by the Administrative Agent in accordance with the foregoing. A certificate of the Administrative Agent submitted to any Lender with respect to any amounts owing under this Section 2.02(7) shall be conclusive in the absence of manifest error. If the Borrower and such Lender shall both pay all or any portion of the principal amount in respect of such Borrowing or interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Borrower the amount of such Borrowing or interest paid by the Borrower for such period. If such Lender pays its share of the applicable Borrowing to the Administrative Agent, then the amount so paid shall constitute such Lender's Loan included in such Borrowing. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that shall have failed to make such payment to the Administrative Agent.

SECTION 2.03 Letters of Credit.

(1) The Letter of Credit Commitments.

(a) Subject to the terms and conditions set forth herein, (i) each Issuing Bank agrees, in reliance upon the agreements of the other Revolving Lenders set forth in this Section 2.03,

(A) from time to time on any Business Day during the period from the Closing Date until the L/C Expiration Date, to issue Letters of Credit at sight denominated in Dollars or another Available Currency for the account of the Borrower or a Restricted Subsidiary (*provided* that any such Letter of Credit may be for the benefit of Holdings or any Subsidiary of the Borrower) and to amend or renew Letters of Credit previously issued by it, in accordance with Section 2.03(2), and (B) to honor drawings under the Letters of Credit and (ii) the Revolving Lenders severally agree to participate in Letters of Credit issued pursuant to this Section 2.03; *provided* that no Issuing Bank shall be obligated to make any L/C Credit Extension with respect to any Letter of Credit, and no Lender shall be obligated to participate in any Letter of Credit if as of the date of such L/C Credit Extension, (x) the Revolving Exposure of any Revolving Lender would exceed such Lender's Revolving Commitment or (y) the Outstanding Amount of the L/C Obligations would exceed the L/C Sublimit. Within the foregoing limits, and subject to the terms and conditions hereof, the Borrower's ability to obtain Letters of Credit shall be fully revolving, and accordingly the Borrower may, during the foregoing period, obtain Letters of Credit to replace Letters of Credit that have expired or that have been drawn upon and reimbursed. In accordance with Section 2.03(8), all Existing Letters of Credit shall be deemed to have been issued pursuant to this Section 2.03(1) (except that the provisions of 2.03(7) shall not apply to such deemed issuance on the Closing Date).

(b) An Issuing Bank shall be under no obligation to issue any Letter of Credit if:

(i) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain such Issuing Bank from issuing such Letter of Credit, or any Law applicable to such Issuing Bank or any directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over such Issuing Bank shall prohibit, or direct that such Issuing Bank refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon such Issuing Bank with respect to such Letter of Credit any restriction, reserve or capital requirement (for which such Issuing Bank is not otherwise compensated hereunder) not in effect on the Closing Date, or shall impose upon such Issuing Bank any unreimbursed loss, cost or expense which was not applicable on the Closing Date (for which such Issuing Bank is not otherwise compensated hereunder);

(ii) subject to Section 2.03(2)(c), the expiry date of such requested Letter of Credit would occur more than twelve months after the date of issuance or last renewal, unless (A) each Appropriate Lender has approved of such expiration date or (B) the Outstanding Amount of L/C Obligations in respect of such requested Letter of Credit has been Cash Collateralized or back-stopped by a letter of credit reasonably satisfactory to the applicable Issuing Bank;

(iii) the expiry date of such requested Letter of Credit would occur after the L/C Expiration Date, unless (A) each Appropriate Lender has approved of such expiration date or (B) the Outstanding Amount of L/C Obligations in respect of such requested Letter of Credit has been Cash Collateralized or back-stopped by a letter of credit reasonably satisfactory to the applicable Issuing Bank;

(iv) the issuance of such Letter of Credit would violate any policies of such Issuing Bank applicable to letters of credit generally; or

(v) any Revolving Lender is at that time a Defaulting Lender, unless such Issuing Bank has entered into arrangements, including the delivery of Cash Collateral, satisfactory to such Issuing Bank (in its sole discretion) with the Borrower or such Lender to eliminate such Issuing Bank's actual or potential Fronting Exposure (after giving effect to Section 2.17(1)(d)) with respect to the Defaulting Lender arising from either the Letter of Credit then proposed to be issued or that Letter of Credit and all other L/C Obligations as to which such Issuing Bank has actual or potential Fronting Exposure, as it may elect in its sole discretion.

(c) An Issuing Bank shall be under no obligation to amend any Letter of Credit if (i) such Issuing Bank would have no obligation at such time to issue such Letter of Credit in its amended form under the terms hereof or (ii) the beneficiary of such Letter of Credit does not accept the proposed amendment to such Letter of Credit.

(2) Procedures for Issuance and Amendment of Letters of Credit; Auto-Extension Letters of Credit

(a) Each Letter of Credit shall be issued or amended, as the case may be, upon the request of the Borrower delivered to an Issuing Bank (with a copy to the Administrative Agent) in the form of a L/C Application, appropriately completed and signed by a Responsible Officer of the Borrower. Such L/C Application must be received by the relevant Issuing Bank and the Administrative Agent not later than 12:00 p.m., New York time, at least two (2) Business Days prior to the proposed issuance date or date of amendment, as the case may be, or, in each case, such later date and time as the relevant Issuing Bank may agree in a particular instance in its sole discretion. In the case of a request for an initial issuance of a Letter of Credit, such L/C Application shall specify in form and detail reasonably satisfactory to the relevant Issuing Bank:

(i) the proposed issuance date of the requested Letter of Credit (which shall be a Business Day);

(ii) the amount thereof;

(iii) the expiry date thereof;

(iv) the name and address of the beneficiary thereof;

(v) the documents to be presented by such beneficiary in case of any drawing thereunder;

(vi) the full text of any certificate to be presented by such beneficiary in case of any drawing thereunder;

(vii) the Available Currency in which the requested Letter of Credit to be issued will be denominated; and

(viii) such other matters as the relevant Issuing Bank may reasonably request.

In the case of a request for an amendment of any outstanding Letter of Credit, such L/C Application shall specify in form and detail reasonably satisfactory to the relevant Issuing Bank:

(A) the Letter of Credit to be amended;

(B) the proposed date of amendment thereof (which shall be a Business Day);

(C) the nature of the proposed amendment; and

(D) such other matters as the relevant Issuing Bank may reasonably request.

(b) Promptly after receipt of any L/C Application, the relevant Issuing Bank will confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has received a copy of such L/C Application from the Borrower and, if not, such Issuing Bank will provide the Administrative Agent with a copy thereof. Upon receipt by the relevant Issuing Bank of confirmation from the Administrative Agent that the requested issuance or amendment is permitted in accordance with the terms hereof, then, subject to the terms and conditions hereof, such Issuing Bank shall, on the requested date, issue a Letter of Credit for the account of the Borrower (or, if applicable, any Restricted Subsidiary of the Borrower) or enter into the applicable amendment, as the case may be. Immediately upon the issuance

of each Letter of Credit, each Revolving Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the relevant Issuing Bank a risk participation in such Letter of Credit in an amount equal to the product of such Lender's Pro Rata Share or other applicable share provided for under this Agreement times the amount of such Letter of Credit.

(c) If the Borrower so requests in any applicable L/C Application, the relevant Issuing Bank shall agree to issue a Letter of Credit that has automatic extension provisions (each, an "**Auto-Extension Letter of Credit**"); *provided* that any such Auto-Extension Letter of Credit must permit the relevant Issuing Bank to prevent any such extension at least once in each twelve-month period (commencing with the date of issuance of such Letter of Credit) by giving prior notice to the beneficiary thereof not later than a day (the "**Non-Extension Notice Date**") in each such twelve-month period to be agreed upon by the relevant Issuing Bank and the Borrower at the time such Letter of Credit is issued. Unless otherwise agreed in such Letter of Credit, the Borrower shall not be required to make a specific request to the relevant Issuing Bank for any such extension. Once an Auto-Extension Letter of Credit has been issued, the applicable Lenders shall be deemed to have authorized (but may not require) the relevant Issuing Bank to permit the extension of such Letter of Credit at any time to an expiry date not later than the applicable L/C Expiration Date, unless the Outstanding Amount of L/C Obligations in respect of such requested Letter of Credit has been Cash Collateralized or back-stopped by a letter of credit reasonably satisfactory to the applicable Issuing Bank; *provided* that the relevant Issuing Bank shall not permit any such extension if (i) the relevant Issuing Bank has determined that it would have no obligation at such time to issue such Letter of Credit in its extended form under the terms hereof (by reason of the provisions of Section 2.03(1)(b) or otherwise) or (ii) it has received notice (which may be by telephone or in writing) on or before the day that is seven (7) Business Days before the Non-Extension Notice Date from the Administrative Agent, any Revolving Lender or the Borrower that one or more of the applicable conditions specified in Section 4.02 will not be satisfied on the applicable date of the Credit Extension.

(d) Promptly after issuance of any Letter of Credit or any amendment to a Letter of Credit, the relevant Issuing Bank will also deliver to the Borrower and the Administrative Agent a true and complete copy of such Letter of Credit or amendment.

(3) Drawings and Reimbursements; Funding of Participations.

(a) Upon receipt from the beneficiary of any Letter of Credit of any notice of a drawing under such Letter of Credit, the relevant Issuing Bank shall promptly notify the Borrower and the Administrative Agent thereof (including the date on which such payment is to be made). Upon the same day of any payment by an Issuing Bank under a Letter of Credit with notice to the Borrower (each such date, an "**Honor Date**"), the Borrower shall reimburse, or cause to be reimbursed, such Issuing Bank through the Administrative Agent in an amount equal to the Dollar Amount of such drawing; *provided* that if such reimbursement is not made on the date of drawing, the Borrower shall pay interest to the relevant Issuing Bank on such amount at the rate applicable to Base Rate Loans (without duplication of interest payable on L/C Borrowings). The relevant Issuing Bank shall notify the Borrower of the Dollar Amount of the drawing promptly following the determination or revaluation thereof. If the Borrower fails to so reimburse, or cause to be reimbursed, such Issuing Bank by such time, the Administrative Agent shall promptly notify each Appropriate Lender of the Honor Date, the Dollar Amount of the unreimbursed drawing (the "**Unreimbursed Amount**") and the amount of such Appropriate Lender's Pro Rata Share or other applicable share provided for under this Agreement thereof. In such event, in the case of an Unreimbursed Amount under a Letter of Credit, the Borrower shall be deemed to have requested a Revolving Borrowing of Base Rate Loans to be disbursed on the Honor Date in an amount equal to the Unreimbursed Amount, without regard to the minimum and multiples specified in Section 2.02 for the principal amount of Base Rate Loans but subject to the requirements for the amount of the unutilized portion of the Revolving Commitments under the applicable Revolving Facility of the Appropriate Lenders and the conditions set forth in Section 4.02 (other than the delivery of a Committed Loan Notice). Any notice given by an Issuing Bank or the Administrative Agent pursuant to this Section 2.03(3)(a) may be given by telephone if immediately confirmed in writing; *provided* that the lack of such an immediate confirmation shall not affect the conclusiveness or binding effect of such notice.

(b) Each Appropriate Lender (including any Lender acting as an Issuing Bank) shall upon any notice pursuant to Section 2.03(3)(a) make funds available to the Administrative Agent for the account of the relevant Issuing Bank in Dollars at the Administrative Agent's Office for payments in an amount equal to its Pro Rata Share or other applicable share provided for under this Agreement of the Unreimbursed Amount not later than 1:00 p.m. on the Business Day specified in such notice by the Administrative Agent, whereupon, subject to the provisions of Section 2.03(3)(c), each Appropriate Lender that so makes funds available shall be deemed to have made a Revolving Loan that is a Base Rate Loan to the Borrower in such amount. The Administrative Agent shall remit the funds so received to the relevant Issuing Bank.

(c) With respect to any Unreimbursed Amount that is not fully refinanced by a Revolving Borrowing of Base Rate Loans because the conditions set forth in Section 4.02 cannot be satisfied or for any other reason, the Borrower shall be deemed to have incurred from the relevant Issuing Bank an L/C Borrowing in the amount of the Unreimbursed Amount that is not so refinanced, which L/C Borrowing shall be due and payable on demand (together with interest) and shall bear interest at the Default Rate. In such event, each Appropriate Lender's payment to the Administrative Agent for the account of the relevant Issuing Bank pursuant to Section 2.03(3)(b) shall be deemed payment in respect of its participation in such L/C Borrowing and shall constitute an L/C Advance from such Lender in satisfaction of its participation obligation under this Section 2.03.

(d) Until each Appropriate Lender funds its Revolving Loan or L/C Advance pursuant to this Section 2.03(3) to reimburse the relevant Issuing Bank for any amount drawn under any Letter of Credit, interest in respect of such Lender's Pro Rata Share or other applicable share provided for under this Agreement of such amount shall be solely for the account of the relevant Issuing Bank.

(e) Each Revolving Lender's obligation to make Revolving Loans or L/C Advances to reimburse an Issuing Bank for amounts drawn under Letters of Credit, as contemplated by this Section 2.03(3), shall be absolute and unconditional and shall not be affected by any circumstance, including

(i) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against the relevant Issuing Bank, the Borrower or any other Person for any reason whatsoever;

(ii) the occurrence or continuance of a Default; or

(iii) any other occurrence, event or condition, whether or not similar to any of the foregoing;

provided that each Revolving Lender's obligation to make Revolving Loans pursuant to this Section 2.03(3) is subject to the conditions set forth in Section 4.02 (other than delivery by the Borrower of a Committed Loan Notice). No such making of an L/C Advance shall relieve or otherwise impair the obligation of the Borrower to reimburse the relevant Issuing Bank for the amount of any payment made by such Issuing Bank under any Letter of Credit, together with interest as provided herein.

(f) If any Revolving Lender fails to make available to the Administrative Agent for the account of the relevant Issuing Bank any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.03(3) by the time specified in Section 2.03(3)(b), such Issuing Bank shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to such Issuing Bank at a rate per annum equal to the applicable Overnight Rate from time to time in effect. A certificate of the relevant Issuing Bank submitted to any Revolving Lender (through the Administrative Agent) with respect to any amounts owing under this Section 2.03(3)(d) shall be conclusive absent manifest error.

(4) Repayment of Participations.

(a) If, at any time after an Issuing Bank has made a payment under any Letter of Credit and has received from any Revolving Lender such Lender's L/C Advance in respect of such payment in accordance with Section 2.03(3), the Administrative Agent receives for the account of such Issuing Bank any payment in respect of the related Unreimbursed Amount or interest thereon (whether directly from the Borrower or otherwise, including proceeds of Cash Collateral applied thereto by the Administrative Agent), the Administrative Agent will distribute to such Lender its Pro Rata Share or other applicable share provided for under this Agreement thereof (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's L/C Advance was outstanding) in the Dollar Amount received by the Administrative Agent.

(b) If any payment received by the Administrative Agent for the account of an Issuing Bank pursuant to Section 2.03(3)(a) or Section 2.03(3)(b) is required to be returned under any of the circumstances described in Section 10.06 (including pursuant to any settlement entered into by such Issuing Bank in its discretion), each Appropriate Lender shall pay to the Administrative Agent for the account of such Issuing Bank its Pro Rata Share or other applicable share provided for under this Agreement thereof on demand of the Administrative Agent, *plus* interest thereon from the date of such demand to the date such amount is returned by such Lender, at a rate per annum equal to the applicable Overnight Rate from time to time in effect. The Obligations of the Revolving Lenders under this Section 2.03(4)(b) shall survive the payment in full of the Obligations and the termination of this Agreement.

(5) Obligations Absolute. The obligation of the Borrower to reimburse the relevant Issuing Bank for each drawing under each Letter of Credit issued by it and to repay each L/C Borrowing shall be absolute, unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including the following:

(a) any lack of validity or enforceability of such Letter of Credit, this Agreement, or any other agreement or instrument relating thereto;

(b) the existence of any claim, counterclaim, setoff, defense or other right that any Loan Party may have at any time against any beneficiary or any transferee of such Letter of Credit (or any Person for whom any such beneficiary or any such transferee may be acting), the relevant Issuing Bank or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or by such Letter of Credit or any agreement or instrument relating thereto, or any unrelated transaction;

(c) any draft, demand, certificate or other document presented under such Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; or any loss or delay in the transmission or otherwise of any document required in order to make a drawing under such Letter of Credit;

(d) any payment by the relevant Issuing Bank under such Letter of Credit against presentation of a draft or certificate that does not strictly comply with the terms of such Letter of Credit; or any payment made by the relevant Issuing Bank under such Letter of Credit to any Person purporting to be a trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other representative of or successor to any beneficiary or any transferee of such Letter of Credit, including any arising in connection with any proceeding under any Debtor Relief Law;

(e) any exchange, release or non-perfection of any Collateral, or any release or amendment or waiver of or consent to departure from the Guaranty or any other guarantee, for all or any of the Obligations of any Loan Party in respect of such Letter of Credit; or

(f) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, including any other circumstance that might otherwise constitute a defense available to, or a discharge of, any Loan Party;

provided that the foregoing shall not excuse any Issuing Bank from liability to the Borrower to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are waived by the Borrower to the extent permitted by applicable Law) suffered by the Borrower that are caused by acts or omissions by such Issuing Bank constituting gross negligence, bad faith or willful misconduct on the part of such Issuing Bank as determined in a final and non-appealable judgment by a court of competent jurisdiction.

(6) Role of Issuing Banks. The Issuing Bank shall be entitled to rely upon, and shall be fully protected in relying upon, any note, writing, resolution, notice, statement, certificate or facsimile message, order or other document or telephone message signed, sent or made by any Person that the Issuing Bank reasonably believed to be genuine and correct and to have been signed, sent or made by the proper Person, and, with respect to all legal matters pertaining to this Agreement and any other Loan Document and its duties hereunder and thereunder, upon advice of counsel selected by the Issuing Bank (which may include, at the Issuing Bank's option, counsel of the Administrative Agent or the Borrower). Each Lender and the Borrower agrees that, in paying any drawing under a Letter of Credit, the relevant Issuing Bank shall not have any responsibility to obtain any document (other than any sight draft, certificates and documents expressly required by the Letter of Credit) or to ascertain or inquire as to the validity or accuracy of any such document or the authority of the Person executing or delivering any such document. None of the Issuing Banks, any Related Person of such Issuing Banks, nor any of the respective correspondents, participants or assignees of any Issuing Bank shall be liable to any Lender for

(a) any action taken or omitted in connection herewith at the request or with the approval of the Lenders, the Required Revolving Lenders or the Required Lenders, as applicable;

(b) any action taken or omitted in the absence of gross negligence, bad faith or willful misconduct as determined in a final and non-appealable judgment by a court of competent jurisdiction; or

(c) the due execution, effectiveness, validity or enforceability of any document or instrument related to any Letter of Credit or L/C Application.

Each Borrower hereby assumes all risks of the acts or omissions of any beneficiary or transferee with respect to its use of any Letter of Credit; *provided* that this assumption is not intended to, and shall not, preclude the Borrower from pursuing such rights and remedies as it may have against the beneficiary or transferee at law or under any other agreement. None of the Issuing Banks, any Related Persons of such Issuing Banks, nor any of the respective correspondents, participants or assignees of any Issuing Bank, shall be liable or responsible for any of the matters described in clauses (a) through (f) of Section 2.03(5); *provided* that anything in such clauses to the contrary notwithstanding, the Borrower may have a claim against an Issuing Bank, and such Issuing Bank may be liable to the Borrower, to the extent, but only to the extent, of any direct, as opposed to consequential, damages suffered by the Borrower which the Borrower proves were caused by such Issuing Bank's willful misconduct, bad faith or gross negligence or such Issuing Bank's willful or grossly negligent, or bad faith, failure to pay under any Letter of Credit after the presentation to it by the beneficiary of a sight draft and certificate(s) strictly complying with the terms and conditions of a Letter of Credit in each case as determined in a final and non-appealable judgment by a court of competent jurisdiction. In furtherance and not in limitation of the foregoing, each Issuing Bank may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary, and no Issuing Bank shall be responsible for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign a Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason.

Each Lender shall, ratably in accordance with its Pro Rata Share, indemnify each Issuing Bank, its Related Persons and their respective directors, officers, agents and employees (to the extent not reimbursed by the

Borrower) against any cost, expense (including reasonable counsel fees and disbursements), claim, demand, action, loss or liability (except such as result from such indemnitees' willful misconduct, bad faith or gross negligence or such Issuing Bank's willful or grossly negligent, or bad faith, failure to pay under any Letter of Credit after the presentation to it by the beneficiary of a sight draft and certificate(s) strictly complying with the terms and conditions of a Letter of Credit in each case as determined in a final and non-appealable judgment by a court of competent jurisdiction) that such indemnitees may suffer or incur in connection with this Section 2.03 or any action taken or omitted to be taken by such indemnitees hereunder.

(7) Cash Collateral. Subject to Section 2.17(1)(d), if,

(a) as of any L/C Expiration Date, any applicable Letter of Credit issued for the account of the Borrower or any Restricted Subsidiary may for any reason remain outstanding and partially or wholly undrawn,

(b) any Event of Default occurs and is continuing and the Administrative Agent upon the direction of the Required Revolving Lenders, as applicable, may require the Borrower to Cash Collateralize the L/C Obligations pursuant to Section 8.02 or

(c) an Event of Default set forth under Section 8.01(6) occurs and is continuing,

the Borrower will Cash Collateralize, or cause to be Cash Collateralized, the then Outstanding Amount of all relevant L/C Obligations (in an amount equal to such Outstanding Amount determined as of the date of such Event of Default or the applicable L/C Expiration Date, as the case may be), and shall do so not later than 2:00 p.m. on (i) in the case of the immediately preceding clauses (a) or (b), (x) the Business Day that the Borrower receives notice thereof, if such notice is received on such day prior to 12:00 p.m. or (y) if clause (x) above does not apply, the Business Day immediately following the day that the Borrower receives such notice and (ii) in the case of the immediately preceding clause (c), the Business Day on which an Event of Default set forth under Section 8.01(6) occurs or, if such day is not a Business Day, the Business Day immediately succeeding such day. At any time that there shall exist a Defaulting Lender, immediately upon the request of the Administrative Agent or the applicable Issuing Bank, the Borrower will Cash Collateralize all Fronting Exposure (after giving effect to Section 2.17(1)(d) and any Cash Collateral provided by the Defaulting Lender). The Borrower hereby grants to the Administrative Agent, for the benefit of the Issuing Banks and the Revolving Lenders of the applicable Facility, a security interest in all such Cash Collateral. Cash Collateral shall be maintained in blocked accounts at the Administrative Agent and may be invested in readily available Cash Equivalents selected by the Administrative Agent in its sole discretion. If at any time the Administrative Agent determines that any funds held as Cash Collateral are expressly subject to any right or claim of any Person other than the Loan Parties or the Administrative Agent (on behalf of the Secured Parties) or that the total amount of such funds is less than the aggregate Outstanding Amount of all relevant L/C Obligations, the Borrower will, forthwith upon demand by the Administrative Agent, pay, or cause to be paid, to the Administrative Agent, as additional funds to be deposited and held in the deposit accounts at the Administrative Agent as aforesaid, an amount equal to the excess of (A) such aggregate Outstanding Amount over (B) the total amount of funds, if any, then held as Cash Collateral that the Administrative Agent reasonably determines to be free and clear of any such right and claim. Upon the drawing of any Letter of Credit for which funds are on deposit as Cash Collateral, such funds shall be applied, to the extent permitted under applicable Law, to reimburse the relevant Issuing Bank. To the extent the amount of any Cash Collateral exceeds the then Outstanding Amount of such relevant L/C Obligations and so long as no Event of Default has occurred and is continuing, the excess shall promptly be refunded to the Borrower. To the extent any Event of Default giving rise to the requirement to Cash Collateralize any Letter of Credit pursuant to this Section 2.03(7) is cured or otherwise waived, then so long as no other Event of Default has occurred and is continuing, the amount of any Cash Collateral pledged to Cash Collateralize such Letter of Credit shall promptly be refunded to the Borrower. If at any time the Administrative Agent determines that Cash Collateral is subject to any right or claim of any Person other than the Loan Parties or the Administrative Agent as herein provided, or that the total amount of such Cash Collateral is less than the applicable Fronting Exposure and other obligations secured thereby, the Borrower or the relevant Defaulting Lender will, promptly upon demand by the Administrative Agent, pay or provide to the Administrative Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency.

(8) Existing Letters of Credit. Subject to the terms and conditions hereof, (a) Letters of Credit may be issued on the Closing Date to backstop or replace letters of credit outstanding on the Closing Date or (b) all letters of credit issued for the account of the Borrower or any Restricted Subsidiary and outstanding on the Closing Date and issued by an entity that is an Issuing Bank under this Agreement, which, by its execution of this Agreement, has agreed to act as an Issuing Bank hereunder and is listed on Schedule 2.03(8) (each, an "**Existing Letter of Credit**") shall automatically be continued hereunder on the Closing Date by such Issuing Bank, and as of the Closing Date the Revolving Lenders shall acquire a participation therein as if such Existing Letter of Credit were issued hereunder, and each such Existing Letter of Credit shall be deemed a Letter of Credit for all purposes of this Agreement as of the Closing Date without any further action by the Borrower.

(9) Letter of Credit Fees. The Borrower shall pay to the Administrative Agent, for the account of each Revolving Lender for the applicable Revolving Facility in accordance with its Pro Rata Share or other applicable share provided for under this Agreement, a Letter of Credit fee for each Letter of Credit issued pursuant to this Agreement equal to the Applicable Rate set forth in the "Eurodollar Rate, CDOR Rate and Letter of Credit Fees" column of the chart in the definition of "Applicable Rate" times the daily maximum Dollar Amount then available to be drawn under such Letter of Credit (whether or not such maximum amount is then in effect under such Letter of Credit if such maximum amount decreases or increases periodically pursuant to the terms of such Letter of Credit); *provided*, *however*, that any Letter of Credit fees otherwise payable for the account of a Defaulting Lender with respect to any Letter of Credit as to which such Defaulting Lender has not provided Cash Collateral satisfactory to the applicable Issuing Bank pursuant to this Section 2.03 shall be payable, to the maximum extent permitted by applicable Law, to the other Lenders in accordance with the upward adjustments in their respective Pro Rata Shares allocable to such Letter of Credit pursuant to Section 2.17(1)(d), with the balance of such fee, if any, payable to the applicable Issuing Bank for its own account. Such Letter of Credit fees shall be computed on a quarterly basis in arrears. Such Letter of Credit fees shall be due and payable in Dollars on the last Business Day of each March, June, September and December, commencing with the first such date to occur after the issuance of such Letter of Credit, on the L/C Expiration Date and thereafter on demand. If there is any change in the Applicable Rate set forth in the "Eurodollar Rate, CDOR Rate and Letter of Credit Fees" column of the chart in the definition of "Applicable Rate" during any calendar quarter, the daily maximum amount of each Letter of Credit shall be computed and multiplied by the Applicable Rate separately for each period during such calendar quarter that such Applicable Rate was in effect.

(10) Fronting Fee and Documentary and Processing Charges Payable to Issuing Banks. The Borrower shall pay directly to each Issuing Bank for its own account a fronting fee with respect to each Letter of Credit issued by such Issuing Bank equal to 0.25% per annum (or such other lower amount as may be mutually agreed by the Borrower and the applicable Issuing Bank) of the maximum Dollar Amount then available to be drawn under such Letter of Credit (whether or not such maximum amount is then in effect under such Letter of Credit if such maximum amount increases or decreases periodically pursuant to the terms of such Letter of Credit) or such lesser fee as may be agreed with such Issuing Bank. Such fronting fees shall be computed on a quarterly basis in arrears. Such fronting fees shall be due and payable in Dollars on the last Business Day of each March, June, September and December, commencing with the first such date to occur after the issuance of such Letter of Credit, on the L/C Expiration Date and thereafter on demand. In addition, the Borrower shall pay, or cause to be paid, directly to each Issuing Bank for its own account with respect to each Letter of Credit issued for the account of the Borrower or any Restricted Subsidiary the customary issuance, presentation, amendment and other processing fees, and other standard costs and charges, of such Issuing Bank relating to letters of credit as from time to time in effect. Such customary fees and standard costs and charges are due and payable within ten (10) Business Days of demand and are nonrefundable.

(11) Conflict with L/C Application. Notwithstanding anything else to the contrary in this Agreement or any L/C Application, in the event of any conflict between the terms hereof and the terms of any L/C Application, the terms hereof shall control.

(12) Addition of an Issuing Bank. There may be one or more Issuing Banks under this Agreement from time to time. After the Closing Date, a Revolving Lender reasonably acceptable to the Borrower and the Administrative Agent may become an additional Issuing Bank hereunder pursuant to a written agreement among the Borrower, the Administrative Agent and such Revolving Lender. The Administrative Agent shall notify the Revolving Lenders of any such additional Issuing Bank.

(13) Provisions Related to Extended Revolving Commitments. If the L/C Expiration Date in respect of any Class of Revolving Commitments occurs prior to the expiry date of any Letter of Credit, then (a) if consented to by the Issuing Bank which issued such Letter of Credit, if one or more other Classes of Revolving Commitments in respect of which the L/C Expiration Date shall not have so occurred are then in effect, such Letters of Credit for which consent has been obtained shall automatically be deemed to have been issued (including for purposes of the obligations of the Revolving Lenders to purchase participations therein and to make Revolving Loans and payments in respect thereof pursuant to Sections 2.03(3) and (4)) under (and ratably participated in by Revolving Lenders pursuant to) the Revolving Commitments in respect of such non-terminating Classes up to an aggregate amount not to exceed the aggregate principal amount of the unutilized Revolving Commitments thereunder at such time (it being understood that no partial face amount of any Letter of Credit may be so reallocated) and (b) to the extent not reallocated pursuant to immediately preceding clause (a) and unless provisions reasonably satisfactory to the applicable Issuing Bank for the treatment of such Letter of Credit as a letter of credit under a successor credit facility have been agreed upon, the Borrower shall, on or prior to the applicable Maturity Date, cause all such Letters of Credit to be replaced and returned to the applicable Issuing Bank undrawn and marked "cancelled" or to the extent that the Borrower is unable to so replace and return any Letter(s) of Credit, such Letter(s) of Credit shall be backstopped by a "back to back" letter of credit reasonably satisfactory to the applicable Issuing Bank or the Borrower shall Cash Collateralize any such Letter of Credit in accordance with Section 2.03(7).

(14) Letter of Credit Reports. For so long as any Letter of Credit issued by an Issuing Bank is outstanding, such Issuing Bank shall deliver to the Administrative Agent on the last Business Day of each calendar month, and on each date that an L/C Credit Extension occurs with respect to any such Letter of Credit, a report in the form of Exhibit R, appropriately completed with the information for every outstanding Letter of Credit issued by such Issuing Bank.

(15) Letters of Credit Issued for Holdings and Subsidiaries. Notwithstanding that a Letter of Credit issued or outstanding hereunder is in support of any obligations of, or is for the account of, Holdings or a Restricted Subsidiary of the Borrower, the Borrower shall be obligated to reimburse, or cause to be reimbursed, the applicable Issuing Bank hereunder for any and all drawings under such Letter of Credit. The Borrower hereby acknowledges that the issuance of Letters of Credit for the account of Holdings or such Restricted Subsidiaries inures to the benefit of the Borrower, and that the Borrower's businesses derives substantial benefits from the businesses of Holdings and such Restricted Subsidiaries.

SECTION 2.04 Swing Line Loans.

(1) The Swing Line. Subject to the terms and conditions set forth herein, the Swing Line Lender may, in its sole discretion and in its individual capacity, make revolving credit loans in Dollars to the Borrower (each such loan, a "**Swing Line Loan**"), from time to time on any Business Day during the period beginning on the Business Day after the Closing Date and until the Maturity Date of the Revolving Facility in an aggregate amount not to exceed at any time outstanding the amount of the Swing Line Sublimit, notwithstanding the fact that such Swing Line Loans, when aggregated with the Pro Rata Share or other applicable share provided for under this Agreement of the Outstanding Amount of Revolving Loans and L/C Obligations of the Swing Line Lender, may exceed the amount of such Swing Line Lender's Revolving Commitment; *provided* that, after giving effect to any Swing Line Loan, the Revolving Exposure shall not exceed the aggregate Revolving Commitment. Within the foregoing limits, and subject to the other terms and conditions hereof, the Borrower may borrow under this Section 2.04, prepay under Section 2.05, and reborrow under this Section 2.04. Each Swing Line Loan will be obtained or maintained as a Base Rate Loan unless Swing Line Lender agrees to a lower interest rate; *provided* that (a) Swing Line Lender may not agree to a different rate if an Event of Default has occurred and is continuing and (b) upon the occurrence and during the continuance of an Event of Default under Section 8.01(1), the Swing Line Loans will, at the option of Swing Line Lender, bear interest on past due amounts at a rate per annum equal to the Default Rate to the fullest extent permitted by applicable Laws.

(2) Borrowing Procedures. Each Swing Line Borrowing shall be made upon the Borrower's irrevocable notice to the Swing Line Lender, which may be given in writing or by telephone. Each such notice must be received by the Swing Line Lender not later than 2:00 p.m., New York time, on the requested Borrowing date and shall specify (a) the amount to be borrowed, which shall be a minimum of $100,000 and (b) the requested Borrowing date, which shall be a Business Day. Each such telephonic notice must be confirmed promptly by

delivery to the Swing Line Lender of a written Swing Line Loan Notice, appropriately completed and signed by a Responsible Officer of the Borrower, together with substantially simultaneous notice (by telephone or in writing) to the Administrative Agent. If the Swing Line Lender agrees to provide such requested Swing Line Borrowing, unless it has received notice (by telephone or in writing) from the Administrative Agent (including at the request of any Revolving Lender) or it determines that (i) after giving effect to any Swing Line Loan, the Revolving Exposure will exceed the aggregate Revolving Commitment or (ii) one or more of the applicable conditions specified in Section 4.02 is not then satisfied, then, subject to the terms and conditions hereof, the Swing Line Lender will, not later than 3:00 p.m., New York time, on the Borrowing date specified in such Swing Line Loan Notice, make the amount of its Swing Line Loan available to the Borrower.

(3) Repayment or Refinancing of Swing Line Loans.

(a) The Borrower has the right to prepay all or a portion of any Swing Line Loan at any time without premium or penalty. The Swing Line Lender at any time in its sole and absolute discretion may request, by written notice to the Borrower, the Administrative Agent and the Revolving Lenders, on behalf of the Borrower (which hereby irrevocably authorizes such Swing Line Lender to so request on its behalf), that each Revolving Lender make a Base Rate Loan in an amount equal to such Lender's Pro Rata Share or other applicable share provided for under this Agreement of the amount of Swing Line Loans of the Borrower then outstanding. Such request shall be made in writing (which written request shall be deemed to be a Committed Loan Notice for purposes hereof) and in accordance with the requirements of Section 2.02, without regard to the minimum and multiples specified therein for the principal amount of Base Rate Loans, but not in excess of the unutilized portion of the aggregate Revolving Commitments and subject to the conditions set forth in Section 4.02; *provided* that, in the following circumstances, any such request shall also be deemed to have been given one Business Day prior to each of (i) the Maturity Date of the Revolving Facility, (ii) the occurrence of an Event of Default with respect to the Borrower under Section 8.01(6) or (iii) the acceleration of the Obligations or other exercise of remedies under Section 8.02 (each such borrowing made on account of any such deemed request under this Section 2.04(3)(a), a "**Mandatory Swing Line Borrowing**"). The Swing Line Lender shall furnish the Borrower with a copy of the applicable Committed Loan Notice promptly after delivering such notice to the Administrative Agent. Each Revolving Lender shall make an amount equal to its Pro Rata Share or other applicable share provided for under this Agreement of the amount specified in such Committed Loan Notice available to the Administrative Agent in Same Day Funds for the account of the Swing Line Lender at the Administrative Agent's Office not later than 1:00 p.m. New York time on the date specified in such Committed Loan Notice, whereupon, subject to Section 2.04(3)(b), each Revolving Lender that so makes funds available shall be deemed to have made a Revolving Loan that is a Base Rate Loan to the Borrower in such amount. The Administrative Agent shall remit the funds so received to the Swing Line Lender.

(b) If for any reason any Swing Line Loan cannot be refinanced by such a Revolving Borrowing in accordance with Section 2.04(3)(a) (including as a result of a proceeding under any Debtor Relief Law), the request for Base Rate Loans submitted by the relevant Swing Line Lender as set forth herein shall be deemed to be a request by such Swing Line Lender that each of the Revolving Lenders fund its risk participation in the relevant Swing Line Loan and each Revolving Lender's payment to the Administrative Agent for the account of the Swing Line Lender pursuant to Section 2.04(a)(1) shall be deemed payment in respect of such participation; *provided*, that (i) all interest payable on the Swing Line Loans is for the account of Swing Line Lender until the date as of which the respective participation is purchased and (ii) at the time any purchase of participations pursuant to this sentence is actually made, the purchasing Revolving Lender shall pay Swing Line Lender interest on the principal amount of such participation purchased for each day from and including the day upon which the Mandatory Swing Line Borrowing purchase occurs under this Agreement to but excluding the date of payment for such participation, at the rate equal to the Federal Funds Rate.

(c) If any Revolving Lender fails to make available to the Administrative Agent for the account of the Swing Line Lender any amount required to be paid by the Lender pursuant to the foregoing provisions of this Section 2.04(3) by the time specified in Section 2.04(3)(a), the Swing Line Lender shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the Swing Line Lender at a rate per annum equal to the applicable Overnight Rate from time to time in effect. If such Revolving Lender pays such amount, the amount so paid shall constitute such Lender's Revolving

Loan included in the relevant Borrowing or funded participation in the relevant Swing Line Loan, as the case may be. A certificate of the Swing Line Lender submitted to any Lender (through the Administrative Agent) with respect to any amounts owing under this clause (c) shall be conclusive absent manifest error.

(d) Each Revolving Lender's obligation to make Revolving Loans or to purchase and fund risk participations in Swing Line Loans pursuant to this Section 2.04(3) shall be absolute and unconditional and shall not be affected by any circumstance, including (i) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against the Swing Line Lender, the Borrower or any other Person for any reason whatsoever, (ii) the occurrence or continuance of a Default, or (iii) any other occurrence, event or condition, whether or not similar to any of the foregoing; *provided* that each Revolving Lender's obligation to make Revolving Loans pursuant to this Section 2.04(3) (but not to purchase and fund risk participations in Swing Line Loans) is subject to the conditions set forth in Section 4.02. No such funding of risk participations shall relieve or otherwise impair the obligation of the Borrower to repay the applicable Swing Line Loans, together with interest as provided herein.

(4) Repayment of Participations.

(a) At any time after any Revolving Lender has purchased and funded a risk participation in a Swing Line Loan, if the relevant Swing Line Lender receives any payment on account of such Swing Line Loan, such Swing Line Lender will distribute to such Lender its Pro Rata Share or other applicable share provided for under this Agreement of such payment (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's risk participation was funded) in the same funds as those received by such Swing Line Lender.

(b) If any payment received by the relevant Swing Line Lender in respect of principal or interest on any Swing Line Loan is required to be returned by such Swing Line Lender under any of the circumstances described in Section 10.06 (including pursuant to any settlement entered into by the Swing Line Lender in its discretion), each Revolving Lender shall pay to such Swing Line Lender its Pro Rata Share or other applicable share provided for under this Agreement thereof on demand of the Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned, at a rate per annum equal to the applicable Overnight Rate. The Administrative Agent will make such demand upon the request of a Swing Line Lender. The obligations of the Revolving Lenders under this clause (d)(ii) shall survive the payment in full of the Obligations and the termination of this Agreement.

(5) Interest for Account of Swing Line Lender. The Swing Line Lender shall be responsible for invoicing the Borrower for interest on the Swing Line Loans. Until each Revolving Lender funds its Base Rate Loan or risk participation pursuant to this Section 2.04 to refinance such Lender's Pro Rata Share or other applicable share provided for under this Agreement of any Swing Line Loan, interest in respect of such Pro Rata Share or other applicable share provided for under this Agreement shall be solely for the account of the Swing Line Lender.

(6) Payments Directly to Swing Line Lender. Subject to Section 2.04(3)(a), the Borrower shall make all payments of principal and interest in respect of the Swing Line Loans directly to the Swing Line Lender.

(7) Provisions Related to Extended Revolving Commitments. If the Maturity Date shall have occurred in respect of any Class of Revolving Commitments (the "**Expiring Credit Commitment**") at a time when another Class or Classes of Revolving Commitments is or are in effect with a later Maturity Date (each a "**Non-Expiring Credit Commitment**" and collectively, the "**Non-Expiring Credit Commitments**"), then with respect to each outstanding Swing Line Loan, if consented to by the Swing Line Lender, on the earliest occurring Maturity Date such Swing Line Loan shall be deemed reallocated to the Class or Classes of the Non-Expiring Credit Commitments on a pro rata basis;*provided* that (a) to the extent that the amount of such reallocation would cause the aggregate credit exposure to exceed the aggregate amount of such Non-Expiring Credit Commitments, immediately prior to such reallocation (after giving effect to any repayments of Revolving Loans and any reallocation of Letter of Credit participations as contemplated in Section 2.03(13)) the amount of Swing Line Loans to be reallocated equal to such excess shall be repaid and (b) notwithstanding the foregoing, if a Default or Event of Default has occurred and is continuing, the Borrower shall still be obligated to pay Swing Line Loans allocated to the Revolving Lenders holding the Expiring Credit Commitments at the Maturity Date of the Expiring Credit Commitment or if the Loans have been accelerated prior to the Maturity Date of the Expiring Credit Commitment.

(8) Addition of a Swing Line Lender. A Revolving Lender reasonably acceptable to the Borrower and the Administrative Agent may become an additional Swing Line Lender hereunder pursuant to a written agreement among the Borrower, the Administrative Agent and such Revolving Lender (which agreement shall include the Swing Line Sublimit for such additional Swing Line Lender). The Administrative Agent shall notify the Revolving Lenders of any such additional Swing Line Lender.

SECTION 2.05 Prepayments.

(1) Optional.

(a) The Borrower may, upon notice to the Administrative Agent by the Borrower, at any time or from time to time voluntarily prepay any Class or Classes of Term Loans and any Class or Classes of Revolving Loans in whole or in part without premium (except as set forth in Section 2.18) or penalty; *provided* that

(i) such notice must be received by the Administrative Agent not later than 12:00 p.m., New York time, (A) three (3) Business Days prior to any date of prepayment of Eurodollar Rate Loans and CDOR Loans and (B) on the date of prepayment of Base Rate Loans;

(ii) any partial prepayment of Eurodollar Rate Loans and CDOR Loans shall be in a principal amount of $2.0 million or a whole multiple of $500,000 in excess thereof or, if less, the entire principal amount thereof then outstanding; and

(iii) any prepayment of Base Rate Loans shall be in a principal amount of $1.0 million or a whole multiple of $100,000 in excess thereof or, if less, the entire principal amount thereof then outstanding.

Each such notice shall specify the date and amount of such prepayment and the Class(es) and Type(s) of Loans to be prepaid (and, for the avoidance of doubt, may indicate the prepayments by more than one Borrower on such date in such amounts so specified, which, individually, may be below any minimum or multiple, but which, in the aggregate amount on any given date, shall satisfy such minimum and multiple requirements). The Administrative Agent will promptly notify each Appropriate Lender of its receipt of each such notice, and of the amount of such Lender's Pro Rata Share or other applicable share provided for under this Agreement of such prepayment. If such notice is given, the Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein. Any prepayment of a Eurodollar Rate Loan or CDOR Loans shall be accompanied by all accrued interest thereon, together with any additional amounts required pursuant to Section 3.05. In the case of each prepayment of the Loans pursuant to this Section 2.05(1), the Borrower may in its sole discretion select the Borrowing or Borrowings (and the order of maturity of principal payments) to be repaid, and such payment shall be paid to the Appropriate Lenders in accordance with their respective Pro Rata Shares or other applicable share provided for under this Agreement.

(b) [Reserved].

(c) Notwithstanding anything to the contrary contained in this Agreement, the Borrower may rescind any notice of prepayment under Section 2.05(1)(a) if such prepayment would have resulted from a refinancing of all or a portion of the applicable Facility, which refinancing shall not be consummated or shall otherwise be delayed.

(d) Each prepayment in respect of any Term Loans pursuant to this Section 2.05(1) may be applied to any Class of Term Loans as directed by the Borrower. Voluntary prepayments of any Class of Term Loans permitted hereunder shall be applied in a manner determined at the discretion of the Borrower and specified in the notice of prepayment (and absent such direction, in direct order of maturity, including any remaining scheduled installments of principal). For the avoidance of doubt, the Borrower may (i) prepay Term Loans of any Term Loan Class pursuant to this Section 2.05 without any requirement

to prepay Extended Term Loans that were converted or exchanged from such Term Loan Class and (ii) prepay Extended Term Loans pursuant to this Section 2.05 without any requirement to prepay any Term Loans that were converted or exchanged for such Extended Term Loans. In the event that the Borrower does not specify the order in which to apply prepayments to reduce scheduled installments of principal or as between Classes of Term Loans, the Borrower shall be deemed to have elected that such proceeds be applied to reduce the scheduled installments of principal in direct order of maturity on a *pro rata* basis among Term Loan Classes.

(e) Notwithstanding anything in any Loan Document to the contrary, so long as (x) no Event of Default has occurred and is continuing and (y) no proceeds of Revolving Loans are used for this purpose, any Borrower Party may (i) purchase outstanding Term Loans on a non-pro rata basis through open market purchases or (ii) prepay the outstanding Term Loans (which Term Loans shall, for the avoidance of doubt, be automatically and permanently canceled immediately upon such purchase or prepayment), which in the case of clause (ii) only shall be prepaid without premium or penalty on the following basis:

(A) Any Borrower Party shall have the right to make a voluntary prepayment of Loans at a discount to par pursuant to a Borrower Offer of Specified Discount Prepayment, Borrower Solicitation of Discount Range Prepayment Offers or Borrower Solicitation of Discounted Prepayment Offers (any such prepayment, the "**Discounted Term Loan Prepayment**"), in each case made in accordance with this Section 2.05(1)(e) and without premium or penalty.

(B) (1) Subject to the proviso to subsection (A) above, any Borrower Party may from time to time offer to make a Discounted Term Loan Prepayment by providing the Auction Agent with five (5) Business Days' notice (or such shorter period as agreed by the Auction Agent) in the form of a Specified Discount Prepayment Notice; *provided* that (I) any such offer shall be made available, at the sole discretion of the applicable Borrower Party, to (x) each Term Lender or (y) each Term Lender with respect to any Class of Term Loans on an individual Class basis, (II) any such offer shall specify the aggregate principal amount offered to be prepaid (the "**Specified Discount Prepayment Amount**") with respect to each applicable Class, the Class or Classes of Term Loans subject to such offer and the specific percentage discount to par (the "**Specified Discount**") of such Term Loans to be prepaid (it being understood that different Specified Discounts or Specified Discount Prepayment Amounts may be offered with respect to different Classes of Term Loans and, in such event, each such offer will be treated as a separate offer pursuant to the terms of this Section 2.05(1)(e)(B)), (III) the Specified Discount Prepayment Amount shall be in an aggregate amount not less than $5.0 million and whole increments of $1.0 million in excess thereof and (IV) each such offer shall remain outstanding through the Specified Discount Prepayment Response Date. The Auction Agent will promptly provide each Appropriate Lender with a copy of such Specified Discount Prepayment Notice and a form of the Specified Discount Prepayment Response to be completed and returned by each such Term Lender to the Auction Agent (or its delegate) by no later than 5:00 p.m., New York time, on the third Business Day after the date of delivery of such notice to such Lenders (the "**Specified Discount Prepayment Response Date**").

(2) Each Term Lender receiving such offer shall notify the Auction Agent (or its delegate) by the Specified Discount Prepayment Response Date whether or not it agrees to accept a prepayment of any of its applicable then outstanding Term Loans at the Specified Discount and, if so (such accepting Lender, a "**Discount Prepayment Accepting Lender**"), the amount and the Classes of such Lender's Term Loans to be prepaid at such offered discount. Each acceptance of a Discounted Term Loan Prepayment by a Discount Prepayment Accepting Lender shall be irrevocable. Any Term Lender whose Specified Discount Prepayment Response is not received by the Auction Agent by the Specified Discount Prepayment Response Date shall be deemed to have declined to accept the applicable Borrower Offer of Specified Discount Prepayment.

(3) If there is at least one Discount Prepayment Accepting Lender, the relevant Borrower Party will make a prepayment of outstanding Term Loans pursuant to this paragraph (B) to each Discount Prepayment Accepting Lender in accordance with the respective outstanding amount and Classes of Term Loans specified in such Lender's Specified Discount Prepayment Response given pursuant to subsection (2) above*; provided* that if the aggregate principal amount of Term Loans accepted for prepayment by all Discount Prepayment Accepting Lenders exceeds the Specified Discount Prepayment Amount, such prepayment shall be made pro rata among the Discount Prepayment Accepting Lenders in accordance with the respective principal amounts accepted to be prepaid by each such Discount Prepayment Accepting Lender and the Auction Agent (in consultation with such Borrower Party and subject to rounding requirements of the Auction Agent made in its reasonable discretion) will calculate such proration (the "**Specified Discount Proration**"). The Auction Agent shall promptly, and in any case within three (3) Business Days following the Specified Discount Prepayment Response Date, notify (I) the relevant Borrower Party of the respective Term Lenders' responses to such offer, the Discounted Prepayment Effective Date and the aggregate principal amount of the Discounted Term Loan Prepayment and the Classes to be prepaid, (II) each Term Lender of the Discounted Prepayment Effective Date, and the aggregate principal amount and the Classes of Term Loans to be prepaid at the Specified Discount on such date and (III) each Discount Prepayment Accepting Lender of the Specified Discount Proration, if any, and confirmation of the principal amount, Class and Type of Term Loans of such Lender to be prepaid at the Specified Discount on such date. Each determination by the Auction Agent of the amounts stated in the foregoing notices to the applicable Borrower Party and such Term Lenders shall be conclusive and binding for all purposes absent manifest error. The payment amount specified in such notice to the applicable Borrower Party shall be due and payable by such Borrower Party on the Discounted Prepayment Effective Date in accordance with subsection (F) below (subject to subsection (J) below).

(C) (1) Subject to the proviso to subsection (A) above, any Borrower Party may from time to time solicit Discount Range Prepayment Offers by providing the Auction Agent with five (5) Business Days' notice (or such shorter period as agreed by the Auction Agent) in the form of a Discount Range Prepayment Notice; *provided* that (I) any such solicitation shall be extended, at the sole discretion of such Borrower Party, to (x) each Term Lender or (y) each Term Lender with respect to any Class of Term Loans on an individual Class basis, (II) any such notice shall specify the maximum aggregate principal amount of the relevant Term Loans (the "**Discount Range Prepayment Amount**"), the Class or Classes of Term Loans subject to such offer and the maximum and minimum percentage discounts to par (the "**Discount Range**") of the principal amount of such Term Loans with respect to each relevant Class of Term Loans willing to be prepaid by such Borrower Party (it being understood that different Discount Ranges or Discount Range Prepayment Amounts may be offered with respect to different Classes of Term Loans and, in such event, each such offer will be treated as a separate offer pursuant to the terms of this Section 2.05(1)(e)(C)), (III) the Discount Range Prepayment Amount shall be in an aggregate amount not less than $5.0 million and whole increments of $1.0 million in excess thereof and (IV) unless rescinded, each such solicitation by the applicable Borrower Party shall remain outstanding through the Discount Range Prepayment Response Date. The Auction Agent will promptly provide each Appropriate Lender with a copy of such Discount Range Prepayment Notice and a form of the Discount Range Prepayment Offer to be submitted by a responding Term Lender to the Auction Agent (or its delegate) by no later than 5:00 p.m., New York time, on the third Business Day after the date of delivery of such notice to such Lenders (the "**Discount Range Prepayment Response Date**"). Each Term Lender's Discount Range Prepayment Offer shall be irrevocable and shall specify a discount to par within the Discount Range (the "**Submitted Discount**") at which such Lender is willing to allow prepayment of any or all of its then outstanding Term Loans of the applicable Class or Classes and the maximum aggregate principal amount and Classes of such Lender's Term Loans (the "**Submitted Amount**") such Term Lender is willing to have prepaid at the Submitted Discount. Any Term Lender whose Discount Range Prepayment Offer is not received by the Auction Agent by the Discount Range Prepayment Response Date shall be deemed to have declined to accept a Discounted Term Loan Prepayment of any of its Term Loans at any discount to their par value within the Discount Range.

(2) The Auction Agent shall review all Discount Range Prepayment Offers received on or before the applicable Discount Range Prepayment Response Date and shall determine (in consultation with such Borrower Party and subject to rounding requirements of the Auction Agent made in its sole reasonable discretion) the Applicable Discount and Term Loans to be prepaid at such Applicable Discount in accordance with this subsection (C). The relevant Borrower Party agrees to accept on the Discount Range Prepayment Response Date all Discount Range Prepayment Offers received by the Auction Agent by the Discount Range Prepayment Response Date, in the order from the Submitted Discount that is the largest discount to par to the Submitted Discount that is the smallest discount to par, up to and including the Submitted Discount that is the smallest discount to par within the Discount Range (such Submitted Discount that is the smallest discount to par within the Discount Range being referred to as the "**Applicable Discount**") which yields a Discounted Term Loan Prepayment in an aggregate principal amount equal to the lower of (I) the Discount Range Prepayment Amount and (II) the sum of all Submitted Amounts. Each Term Lender that has submitted a Discount Range Prepayment Offer to accept prepayment at a discount to par that is larger than or equal to the Applicable Discount shall be deemed to have irrevocably consented to prepayment of Term Loans equal to its Submitted Amount (subject to any required proration pursuant to the following subsection (3)) at the Applicable Discount (each such Term Lender, a "**Participating Lender**").

(3) If there is at least one Participating Lender, the relevant Borrower Party will prepay the respective outstanding Term Loans of each Participating Lender in the aggregate principal amount and of the Classes specified in such Lender's Discount Range Prepayment Offer at the Applicable Discount; *provided* that if the Submitted Amount by all Participating Lenders offered at a discount to par greater than the Applicable Discount exceeds the Discount Range Prepayment Amount, prepayment of the principal amount of the relevant Term Loans for those Participating Lenders whose Submitted Discount is a discount to par greater than or equal to the Applicable Discount (the "**Identified Participating Lenders**") shall be made pro rata among the Identified Participating Lenders in accordance with the Submitted Amount of each such Identified Participating Lender and the Auction Agent (in consultation with such Borrower Party and subject to rounding requirements of the Auction Agent made in its sole reasonable discretion) will calculate such proration (the "**Discount Range Proration**"). The Auction Agent shall promptly, and in any case within five (5) Business Days following the Discount Range Prepayment Response Date, notify (I) the relevant Borrower Party of the respective Term Lenders' responses to such solicitation, the Discounted Prepayment Effective Date, the Applicable Discount, the aggregate principal amount of the Discounted Term Loan Prepayment and the Classes to be prepaid, (II) each Term Lender of the Discounted Prepayment Effective Date, the Applicable Discount and the aggregate principal amount and Classes of Term Loans to be prepaid at the Applicable Discount on such date, (III) each Participating Lender of the aggregate principal amount and Classes of such Term Lender to be prepaid at the Applicable Discount on such date and (IV) if applicable, each Identified Participating Lender of the Discount Range Proration. Each determination by the Auction Agent of the amounts stated in the foregoing notices to the relevant Borrower Party and Term Lenders shall be conclusive and binding for all purposes absent manifest error. The payment amount specified in such notice to the applicable Borrower Party shall be due and payable by such Borrower Party on the Discounted Prepayment Effective Date in accordance with subsection (F) below (subject to subsection (J) below).

(D) (1) Subject to the proviso to subsection (A) above, any Borrower Party may from time to time solicit Solicited Discounted Prepayment Offers by providing the Auction Agent with five (5) Business Days' notice in the form of a Solicited Discounted Prepayment Notice (or such later notice specified therein); *provided* that (I) any such solicitation shall be extended, at the sole discretion of such Borrower Party, to (x) each Term Lender or (y) each Lender with respect to any Class of Term Loans on an individual Class basis, (II) any such notice shall specify the maximum aggregate amount of the Term Loans (the "**Solicited Discounted Prepayment Amount**") and the Class or Classes of Term Loans the applicable Borrower Party is willing to prepay at a discount (it being understood that different Solicited Discounted Prepayment Amounts may be offered with respect to different Classes of Term Loans and, in such event, each

such offer will be treated as a separate offer pursuant to the terms of this Section 2.05(1)(e)(D)), (III) the Solicited Discounted Prepayment Amount shall be in an aggregate amount not less than $5.0 million and whole increments of $1.0 million in excess thereof and (IV) unless rescinded, each such solicitation by the applicable Borrower Party shall remain outstanding through the Solicited Discounted Prepayment Response Date. The Auction Agent will promptly provide each Appropriate Lender with a copy of such Solicited Discounted Prepayment Notice and a form of the Solicited Discounted Prepayment Offer to be submitted by a responding Lender to the Auction Agent (or its delegate) by no later than 5:00 p.m., New York time, on the third Business Day after the date of delivery of such notice to such Term Lenders (the "**Solicited Discounted Prepayment Response Date**"). Each Term Lender's Solicited Discounted Prepayment Offer shall (x) be irrevocable, (y) remain outstanding until the Acceptance Date and (z) specify both a discount to par (the "**Offered Discount**") at which such Term Lender is willing to allow prepayment of its then outstanding Term Loan and the maximum aggregate principal amount and Classes of such Term Loans (the "**Offered Amount**") such Term Lender is willing to have prepaid at the Offered Discount. Any Term Lender whose Solicited Discounted Prepayment Offer is not received by the Auction Agent by the Solicited Discounted Prepayment Response Date shall be deemed to have declined prepayment of any of its Term Loans at any discount.

(2) The Auction Agent shall promptly provide the relevant Borrower Party with a copy of all Solicited Discounted Prepayment Offers received on or before the Solicited Discounted Prepayment Response Date. Such Borrower Party shall review all such Solicited Discounted Prepayment Offers and select the largest of the Offered Discounts specified by the relevant responding Term Lenders in the Solicited Discounted Prepayment Offers that is acceptable to the applicable Borrower Party (the "**Acceptable Discount**"), if any. If the applicable Borrower Party elects to accept any Offered Discount as the Acceptable Discount, then as soon as practicable after the determination of the Acceptable Discount, but in no event later than by the third Business Day after the date of receipt by such Borrower Party from the Auction Agent of a copy of all Solicited Discounted Prepayment Offers pursuant to the first sentence of this subsection (2) (the "**Acceptance Date**"), the applicable Borrower Party shall submit an Acceptance and Prepayment Notice to the Auction Agent setting forth the Acceptable Discount. If the Auction Agent shall fail to receive an Acceptance and Prepayment Notice from the applicable Borrower Party by the Acceptance Date, such Borrower Party shall be deemed to have rejected all Solicited Discounted Prepayment Offers.

(3) Based upon the Acceptable Discount and the Solicited Discounted Prepayment Offers received by the Auction Agent by the Solicited Discounted Prepayment Response Date, within three (3) Business Days after receipt of an Acceptance and Prepayment Notice (the "**Discounted Prepayment Determination Date**"), the Auction Agent will determine (in consultation with the consent of such Borrower Party and subject to rounding requirements of the Auction Agent made in its sole reasonable discretion) the aggregate principal amount and the Classes of Term Loans (the "**Acceptable Prepayment Amount**") to be prepaid by the relevant Borrower Party at the Acceptable Discount in accordance with this Section 2.05(1)(e)(D). If the applicable Borrower Party elects to accept any Acceptable Discount, then such Borrower Party agrees to accept all Solicited Discounted Prepayment Offers received by the Auction Agent by the Solicited Discounted Prepayment Response Date, in the order from largest Offered Discount to smallest Offered Discount, up to and including the Acceptable Discount. Each Term Lender that has submitted a Solicited Discounted Prepayment Offer with an Offered Discount that is greater than or equal to the Acceptable Discount shall be deemed to have irrevocably consented to prepayment of Term Loans equal to its Offered Amount (subject to any required pro-rata reduction pursuant to the following sentence) at the Acceptable Discount (each such Lender, a "**Qualifying Lender**"). The applicable Borrower Party will prepay outstanding Term Loans pursuant to this subsection (D) to each Qualifying Lender in the aggregate principal amount and of the Classes specified in such Lender's Solicited Discounted Prepayment Offer at the Acceptable Discount; *provided* that if the aggregate Offered Amount by all Qualifying Lenders whose Offered Discount is greater than or equal to the Acceptable Discount exceeds the Solicited Discounted Prepayment Amount, prepayment of the principal amount of the Term Loans for those

Qualifying Lenders whose Offered Discount is greater than or equal to the Acceptable Discount (the "**Identified Qualifying Lenders**") shall be made pro rata among the Identified Qualifying Lenders in accordance with the Offered Amount of each such Identified Qualifying Lender and the Auction Agent (in consultation with such Borrower Party and subject to rounding requirements of the Auction Agent made in its sole reasonable discretion) will calculate such proration (the "**Solicited Discount Proration**"). On or prior to the Discounted Prepayment Determination Date, the Auction Agent shall promptly notify (I) the relevant Borrower Party of the Discounted Prepayment Effective Date and Acceptable Prepayment Amount comprising the Discounted Term Loan Prepayment and the Classes to be prepaid, (II) each Term Lender of the Discounted Prepayment Effective Date, the Acceptable Discount, and the Acceptable Prepayment Amount of all Term Loans and the Classes to be prepaid to be prepaid at the Applicable Discount on such date, (III) each Qualifying Lender of the aggregate principal amount and the Classes of such Term Lender to be prepaid at the Acceptable Discount on such date, and (IV) if applicable, each Identified Qualifying Lender of the Solicited Discount Proration. Each determination by the Auction Agent of the amounts stated in the foregoing notices to such Borrower Party and Term Lenders shall be conclusive and binding for all purposes absent manifest error. The payment amount specified in such notice to such Borrower Party shall be due and payable by such Borrower Party on the Discounted Prepayment Effective Date in accordance with subsection (F) below (subject to subsection (J) below).

(E) In connection with any Discounted Term Loan Prepayment, the Borrower Parties and the Term Lenders acknowledge and agree that the Auction Agent may require, as a condition to the applicable Discounted Term Loan Prepayment, the payment of customary fees and expenses from a Borrower Party to such Auction Agent for its own account in connection therewith.

(F) If any Term Loan is prepaid in accordance with subsections (B) through (D) above, a Borrower Party shall prepay such Term Loans on the Discounted Prepayment Effective Date. The relevant Borrower Party shall make such prepayment to the Administrative Agent, for the account of the Discount Prepayment Accepting Lenders, Participating Lenders, or Qualifying Lenders, as applicable, at the Administrative Agent's Office in immediately available funds not later than 12:00 p.m., New York time, on the Discounted Prepayment Effective Date and all such prepayments shall be applied to the relevant Class(es) and Lenders as specified by the applicable Borrower Party in the applicable offer. The Term Loans so prepaid shall be accompanied by all accrued and unpaid interest on the par principal amount so prepaid up to, but not including, the Discounted Prepayment Effective Date. Each prepayment of the outstanding Term Loans pursuant to this Section 2.05(1)(e) shall be paid to the Discount Prepayment Accepting Lenders, Participating Lenders, or Qualifying Lenders, as applicable, and shall be applied to the relevant Loans of such Lenders in accordance with their respective applicable share as calculated by the Auction Agent in accordance with this Section 2.05(1)(e). The aggregate principal amount of the Classes and installments of the relevant Term Loans outstanding shall be deemed reduced by the full par value of the aggregate principal amount of the Classes of Term Loans prepaid on the Discounted Prepayment Effective Date in any Discounted Term Loan Prepayment. In connection with each prepayment pursuant to this Section 2.05(1)(e), the relevant Borrower Party shall make a representation to the assigning or assignee Term Lenders, as applicable, that it does not possess material non-public information with respect to the Borrower and its Subsidiaries or the securities of any of them that has not been disclosed to the Term Lenders generally (other than Term Lenders that have elected not to receive such information) or shall make a statement that such representation cannot be made.

(G) To the extent not expressly provided for herein, each Discounted Term Loan Prepayment shall be consummated pursuant to procedures consistent with the provisions in this Section 2.05(1)(e), established by the Auction Agent acting in its reasonable discretion and as reasonably agreed by the applicable Borrower Party.

(H) Notwithstanding anything in any Loan Document to the contrary, for purposes of this Section 2.05(1)(e), each notice or other communication required to be delivered or otherwise provided to the Auction Agent (or its delegate) shall be deemed to have been given upon Auction Agent's (or its delegate's) actual receipt during normal business hours of such notice or communication; *provided* that any notice or communication actually received outside of normal business hours shall be deemed to have been given as of the opening of business on the next succeeding Business Day.

(I) Each of the Borrower Parties and the Term Lenders acknowledge and agree that the Auction Agent may perform any and all of its duties under this Section 2.05(1)(e) by itself or through any Affiliate of the Auction Agent and expressly consents to any such delegation of duties by the Auction Agent to such Affiliate and the performance of such delegated duties by such Affiliate. The exculpatory provisions pursuant to this Agreement shall apply to each Affiliate of the Auction Agent and its respective activities in connection with any Discounted Term Loan Prepayment provided for in this Section 2.05(1)(e) as well as activities of the Auction Agent.

(J) Each Borrower Party shall have the right, by written notice to the Auction Agent, to revoke in full (but not in part) its offer to make a Discounted Term Loan Prepayment and rescind the applicable Specified Discount Prepayment Notice, Discount Range Prepayment Notice or Solicited Discounted Prepayment Notice therefor at its discretion at any time on or prior to the applicable Specified Discount Prepayment Response Date, Discount Range Prepayment Response Date or Solicited Discounted Prepayment Response Date (and if such offer is revoked pursuant to the preceding clauses, any failure by such Borrower Party to make any prepayment to a Lender, as applicable, pursuant to this Section 2.05(1)(e) shall not constitute a Default or Event of Default under Section 8.01 or otherwise).

(2) Mandatory.

(a) Within five (5) Business Days after financial statements have been delivered pursuant to Section 6.01(1) and the related Compliance Certificate has been delivered pursuant to Section 6.02(1), commencing with delivery of financial statements for the fiscal year ended December 31, 2016, the Borrower shall, subject to clauses (f) and (g) of this Section 2.05(2), prepay, or cause to be prepaid, an aggregate principal amount of Term Loans equal to 50% (such percentage as it may be reduced as described below, the "**ECF Percentage**") of Excess Cash Flow in excess of $15.0 million, if any, for the fiscal year covered by such financial statements *minus* the sum of all voluntary prepayments of

(i) Term Loans made pursuant to Sections 2.05(1)(a) and 2.05(1)(e) (in an amount, in the case of prepayments pursuant to Section 2.05(1)(e), equal to the discounted amount actually paid in respect of the principal amount of such Term Loans and only to the extent that such Loans have been cancelled),

(ii) Credit Agreement Refinancing Indebtedness or Permitted Incremental Equivalent Debt, in each case to the extent secured in whole or in part on a *pari passu* basis with the Closing Date Term Loans and

(iii) Revolving Loans, Refinancing Revolving Loans or loans under any other revolving facility that is secured, in whole or in part, on a *pari passu* basis with the Revolving Loans (in each case of this clause (iii), to the extent accompanied by a permanent reduction in the corresponding Revolving Commitments or other revolving commitments), in the case of each of the immediately preceding clauses (i), (ii) and (iii), made during such fiscal year (without duplication of any prepayments in such fiscal year that reduced the amount of Excess Cash Flow required to be repaid pursuant to this Section 2.05(2)(a) for any prior fiscal year) or after the end of such fiscal year-end but prior to the date a prepayment pursuant to this Section (2)(a) is required to be made in respect of such fiscal year and in each case to the extent such prepayments are not funded with the proceeds of Funded Debt (other than any Indebtedness under any revolving credit facilities); *provided* that the ECF Percentage for any fiscal year

shall be (x) 25% if the First Lien Net Leverage Ratio as of the end of such fiscal year was less than or equal to 3.50 to 1.00 and greater than 3.00 to 1.00 and (y) 0% if the First Lien Net Leverage Ratio as of the end of such fiscal year was less than or equal to 3.00 to 1.00; *provided further* that:

(A) if at the time that any such prepayment would be required, the Borrower (or any Restricted Subsidiary) is required to Discharge Other Applicable Indebtedness with Other Applicable ECF pursuant to the terms of the documentation governing such Indebtedness, then the Borrower (or any Restricted Subsidiary) may apply such Excess Cash Flow on a *pro rata* basis (determined on the basis of the aggregate outstanding principal amount of the Term Loans and Other Applicable Indebtedness requiring such Discharge at such time);

(B) the portion of such Excess Cash Flow allocated to the Other Applicable Indebtedness shall not exceed the amount of such Other Applicable ECF required to be allocated to the Other Applicable Indebtedness pursuant to the terms thereof, and the remaining amount, if any, of such Excess Cash Flow shall be allocated to the Term Loans in accordance with the terms hereof) to the prepayment of the Term Loans and to the repurchase or prepayment of Other Applicable Indebtedness, and the amount of prepayment of the Term Loans that would have otherwise been required pursuant to this Section 2.05(2)(a) shall be reduced accordingly; and

(C) to the extent the lenders or holders of Other Applicable Indebtedness decline to have such Indebtedness repurchased or prepaid with such portion of Excess Cash Flow, the declined amount shall promptly (and in any event within ten (10) Business Days after the date of such rejection) be applied to prepay the Term Loans to the extent required in accordance with the terms of this Section 2.05(2)(a).

(b) (i) If (x) the Borrower or any Restricted Subsidiary makes an Asset Sale or (y) any Casualty Event occurs, which results in the realization or receipt by the Borrower or such Restricted Subsidiary of Net Proceeds, the Borrower shall prepay, or cause to be prepaid, on or prior to the date which is ten (10) Business Days after the date of the realization or receipt by the Borrower or such Restricted Subsidiary of such Net Proceeds, subject to clause (ii) of this Section 2.05(2)(b) and clauses (2)(g) and (g) of this Section 2.05, an aggregate principal amount of Term Loans equal to 100% (such percentage as it may be reduced as described below, the "**Disposition Percentage**") of all Net Proceeds realized or received; *provided* that (I) the Disposition Percentage shall be (x) 50% if the First Lien Net Leverage Ratio as of the end of the fiscal year covered by such financial statements was less than or equal to 2.50 to 1.00 and greater than 2.00 to 1.00 and (y) 0% if the First Lien Net Leverage Ratio as of the end of the fiscal year covered by such financial statements was less than or equal to 2.00 to 1.00 and (II) no prepayment shall be required pursuant to this Section 2.05(2)(b)(i) with respect to such portion of such Net Proceeds that the Borrower shall have, on or prior to such date, given written notice to the Administrative Agent of its intent to reinvest (or entered into a binding commitment to reinvest) in accordance with Section 2.05(2)(b)(ii); *provided further* that

(A) if at the time that any such prepayment would be required, the Borrower (or any Restricted Subsidiary) is required to Discharge any Other Applicable Indebtedness with Other Applicable Net Proceeds pursuant to the terms of the documentation governing such Indebtedness, then the Borrower (or any Restricted Subsidiary) may apply such Net Proceeds on a *pro rata* basis (determined on the basis of the aggregate outstanding principal amount of the Term Loans and Other Applicable Indebtedness requiring such Discharge at such time;

(B) the portion of such Net Proceeds allocated to the Other Applicable Indebtedness shall not exceed the amount of such Other Applicable Net Proceeds required to be allocated to the Other Applicable Indebtedness pursuant to the terms thereof, and the remaining amount, if any, of such Net Proceeds shall be allocated to the Term Loans in accordance with the terms hereof) to the prepayment of the Term Loans and to the repurchase or prepayment of Other Applicable Indebtedness, and the amount of prepayment of the Term Loans that would have otherwise been required pursuant to this Section 2.05(2)(b)(i) shall be reduced accordingly; and

(C) to the extent the holders of Other Applicable Indebtedness decline to have such Indebtedness repurchased or prepaid with such portion of such Net Proceeds, the declined amount shall promptly (and in any event within ten (10) Business Days after the date of such rejection) be applied to prepay the Term Loans in accordance with the terms hereof; *provided further* that no prepayment shall be required pursuant to this Section 2.05(2)(b)(i) with respect to such portion of such Net Proceeds that the Borrower shall have, on or prior to such date, given written notice to the Administrative Agent of its intent to reinvest (or entered into a binding commitment to reinvest) in accordance with Section 2.05(2)(b)(ii).

(ii) With respect to any Net Proceeds realized or received with respect to any Asset Sale or any Casualty Event, the Borrower or any Restricted Subsidiary, at its option, may reinvest all or any portion of such Net Proceeds in assets useful for their business within (x) eighteen (18) months following receipt of such Net Proceeds or (y) if the Borrower or any Restricted Subsidiary enters into a legally binding commitment to reinvest such Net Proceeds within eighteen (18) months following receipt thereof, within the later of (A) eighteen (18) months following receipt thereof and (B) one hundred eighty (180) days of the date of such legally binding commitment; *provided* that if any Net Proceeds are no longer intended to be or cannot be so reinvested at any time after delivery of a notice of reinvestment election, and subject to clauses (g) and (h) of this Section 2.05(2), an amount equal to any such Net Proceeds shall be applied within five (5) Business Days after the Borrower reasonably determines that such Net Proceeds are no longer intended to be or cannot be so reinvested to the prepayment of the Term Loans as set forth in this Section 2.05.

(c) (i) If the Borrower or any Restricted Subsidiary enters into a Specified Operating Facility Sale-Leaseback Transaction, which results in the receipt by the Borrower or such Restricted Subsidiary of Specified Sale-Leaseback Net Proceeds, the Borrower shall prepay (or cause to be prepaid) on or prior to the date which is ten (10) Business Days after the date of receipt of such Specified Sale-Leaseback Net Proceeds an aggregate principal amount of Loans equal to 100.0% of such Specified Sale-Leaseback Net Proceeds; *provided* that if the Borrower elects to make a Restricted Payment under Section 7.05(b)(24), the Borrower will only be required to prepay (or cause to be prepaid) an aggregate principal amount of Loans equal to 60% of such Specified Sale-Leaseback Net Proceeds.

(ii) If the Borrower or any Restricted Subsidiary enters into a Specified Other Sale-Leaseback Transaction, which results in the receipt by the Borrower or such Restricted Subsidiary of Specified Sale-Leaseback Net Proceeds and the Borrower elects to make a Restricted Payment under Section 7.05(b)(24) the Borrower shall prepay (or cause to be prepaid) substantially concurrently with the making of such Restricted Payment an aggregate principal amount of Loans equal to 60% of such Specified Sale-Leaseback Net Proceeds.

(d) If the Borrower or any Restricted Subsidiary incurs or issues any Indebtedness (A) not expressly permitted to be incurred or issued pursuant to Section 7.02 or (B) that constitutes Credit Agreement Refinancing Indebtedness or Refinancing Loans, the Borrower shall prepay, or cause to be prepaid, an aggregate principal amount of Term Loans of any Class or Classes (in each case, as directed by the Borrower) equal to 100% of all Net Proceeds received therefrom on or prior to the date which is five (5) Business Days after the receipt by the Borrower or such Restricted Subsidiary of such Net Proceeds.

(e) Except as otherwise set forth in any Refinancing Amendment, Extension Amendment or Incremental Amendment,

(i) each prepayment of Term Loans required by Sections 2.05(2)(a) through (d) shall be applied to each Class of Term Loans then outstanding on a *pro rata* basis or a less than *pro rata* basis (but not greater than *pro rata* basis) with any other Term Loans (in each case, other than pursuant to a refinancing or with respect to greater than *pro rata* payments to an earlier maturing tranche);

(ii) with respect to each Class of Loans (other than Revolving Loans), each prepayment pursuant to clauses (a) through (d) of Section 2.05(2) shall be applied to remaining scheduled installments of principal thereof following the date of prepayment as directed by the Borrower and specified in the notice of prepayment (and absent such direction, in direct order of maturity); and

(iii) each such prepayment shall be paid to the Lenders in accordance with their respective Pro Rata Shares of such prepayment;

provided that with respect to the allocation of such prepayments under this clause (e) between a Class of existing Loans and a Class of Extended Loans, the Borrower may allocate such prepayments as the Borrower may specify, subject to the limitation that the Borrower may not allocate to such Extended Loans any such mandatory prepayment (other than in the case of a refinancing of Extended Loans) unless such prepayment under this clause (e) is accompanied by at least a *pro rata* prepayment, based upon the applicable remaining scheduled installments of principal due in respect thereof, of the Term Loans of the same Class, if any, from which such Extended Loans were converted or exchanged (or such Term Loans of the existing Loan Class have otherwise been repaid in full).

(f) Subject to Section 1.10(2), if for any reason the aggregate Outstanding Amount of Revolving Loans, Swing Line Loans and L/C Obligations at any time exceeds the aggregate Revolving Commitments then in effect, the Borrower shall promptly prepay Revolving Loans and Swing Line Loans or Cash Collateralize the L/C Obligations in an aggregate amount equal to such excess; *provided* that the Borrower shall not be required to Cash Collateralize the L/C Obligations pursuant to this Section 2.05(2)(f) unless after the prepayment in full of the Revolving Loans and Swing Line Loans (as applicable) such aggregate Outstanding Amount of L/C Obligations exceeds the aggregate Revolving Commitments then in effect.

(g) The Borrower shall notify the Administrative Agent in writing of any mandatory prepayment of Term Loans required to be made pursuant to clauses (a) through (c) of this Section 2.05(2) at least three (3) Business Days prior to the date of such prepayment. Each such notice shall specify the date of such prepayment and provide a reasonably detailed calculation of the aggregate amount of such prepayment to be made by the Borrower. The Administrative Agent will promptly notify each Appropriate Lender of the contents of the Borrower's prepayment notice and of such Appropriate Lender's Pro Rata Share of the prepayment or other applicable share provided for under this Agreement. Each Term Lender may reject all or a portion of its Pro Rata Share, or other applicable share provided for under this Agreement, of any mandatory prepayment (such declined amounts, the "**Declined Proceeds**") of Term Loans required to be made pursuant to clauses (a) and (b) of this Section 2.05(2) by providing written notice (each, a "**Rejection Notice**") to the Administrative Agent and the Borrower no later than 5:00 p.m., New York time, two (2) Business Days after the date of such Lender's receipt of notice from the Administrative Agent regarding such prepayment. Each Rejection Notice from a given Lender shall specify the principal amount of the mandatory repayment of Term Loans to be rejected by such Lender. If a Term Lender fails to deliver a Rejection Notice to the Administrative Agent within the time frame specified above or such Rejection Notice fails to specify the principal amount of the Term Loans to be rejected, any such failure will be deemed an acceptance of the total amount of such mandatory prepayment of Term Loans. Any Declined Proceeds remaining shall be retained by the Borrower (or the applicable Restricted Subsidiary) and may be applied by the Borrower or such Restricted Subsidiary in any manner not prohibited by this Agreement.

(h) Notwithstanding any other provisions of this Section 2.05(2), (A) to the extent that any or all of the Net Proceeds of any Asset Sale by a Foreign Subsidiary giving rise to a prepayment event pursuant to Section 2.05(2)(b) (a "**Foreign Asset Sale**"), the Net Proceeds of any Casualty Event from a Foreign Subsidiary (a "**Foreign Casualty Event**"), the Specified Sale-Leaseback Net Proceeds of any Specified Sale Leaseback by a Foreign Subsidiary (a "**Foreign Sale-Leaseback**") or all or a portion of Excess Cash Flow are prohibited or delayed by applicable local law from being repatriated to the United States, the portion of such Net Proceeds, Specified Sale-Leaseback Net Proceeds or Excess Cash Flow so affected will not be required to be applied to repay Term Loans at the times provided in this Section 2.05(2) but may be retained by the applicable Foreign Subsidiary so long, but only so long, as the applicable local law will not permit repatriation to the United States (the Borrower hereby agreeing to

cause the applicable Foreign Subsidiary to promptly take all actions reasonably required by the applicable local law to permit such repatriation), and once such repatriation of any of such affected Net Proceeds, Specified Sale-Leaseback Net Proceeds or Excess Cash Flow is permitted under the applicable local law such repatriation will be promptly effected and an amount equal to such repatriated Net Proceeds or Excess Cash Flow will be promptly (and in any event not later than two (2) Business Days after such repatriation) applied (net of additional taxes payable or reserved against as a result thereof) to the repayment of the Term Loans pursuant to this Section 2.05(2) to the extent otherwise provided herein and (B) to the extent that the Borrower has determined in good faith that repatriation of any or all or the Net Proceeds of any Foreign Asset Sale or Foreign Casualty Event, the Specified Sale-Leaseback Net Proceeds of any Foreign Sale-Leaseback or Excess Cash Flow would have an adverse tax consequence (taking into account any foreign tax credit or benefit actually realized in connection with such repatriation) with respect to such Net Proceeds, Specified Sale-Leaseback Net Proceeds or Excess Cash Flow, the Net Proceeds, Specified Sale-Leaseback Net Proceeds or Excess Cash Flow so affected may be retained by the applicable Foreign Subsidiary.

(i) Interest, Funding Losses, etc. All prepayments under this Section 2.05 shall be accompanied by all accrued interest thereon, together with, in the case of any such prepayment of a Eurodollar Rate Loan or CDOR Loan on a date prior to the last day of an Interest Period therefor, any amounts owing in respect of such Eurodollar Rate Loan or CDOR Loan pursuant to Section 3.05.

Notwithstanding any of the other provisions of this Section 2.05, so long as no Event of Default shall have occurred and be continuing, if any prepayment of Eurodollar Rate Loans or CDOR Loans is required to be made under this Section 2.05 prior to the last day of the Interest Period therefor, in lieu of making any payment pursuant to this Section 2.05 in respect of any such Eurodollar Rate Loan or CDOR Loan prior to the last day of the Interest Period therefor, the Borrower may, in their its discretion, deposit an amount sufficient to make any such prepayment otherwise required to be made thereunder together with accrued interest to the last day of such Interest Period into a Cash Collateral Account until the last day of such Interest Period, at which time the Administrative Agent shall be authorized (without any further action by or notice to or from the Borrower or any other Loan Party) to apply such amount to the prepayment of such Loans in accordance with this Section 2.05. Upon the occurrence and during the continuance of any Event of Default, the Administrative Agent shall also be authorized (without any further action by or notice to or from the Borrower or any other Loan Party) to apply such amount to the prepayment of the outstanding Loans in accordance with the relevant provisions of this Section 2.05. Such deposit shall be deemed to be a prepayment of such Loans by the Borrower for all purposes under this Agreement.

SECTION 2.06 Termination or Reduction of Commitments.

(1) Optional. The Borrower may, upon written notice by the Borrower to the Administrative Agent, terminate the unused Commitments of any Class, or from time to time permanently reduce the unused Commitments of any Class, in each case without premium or penalty; *provided* that

(a) any such notice shall be received by the Administrative Agent three (3) Business Days prior to the date of termination or reduction,

(b) any such partial reduction shall be in an aggregate amount of $5.0 million or any whole multiple of $1.0 million in excess thereof or, if less, the entire amount thereof and

(c) if, after giving effect to any reduction of the Commitments, the L/C Sublimit or Swing Line Sublimit exceeds the amount of the Revolving Facility, such sublimit shall be automatically reduced by the amount of such excess.

Except as provided above, the amount of any such Revolving Commitment reduction shall not be applied to the L/C Sublimit or Swing Line Sublimit unless otherwise specified by the Borrower. Notwithstanding the foregoing, the Borrower may rescind or postpone any notice of termination of any Commitments if such termination would have resulted from a refinancing of all of the applicable Facility, which refinancing shall not be consummated or otherwise shall be delayed.

(2) Mandatory. The Closing Date Term Commitment of each Term Lender on the Closing Date shall be automatically and permanently reduced to $0 upon the making of such Lender's Closing Date Term Loans to the Borrower pursuant to Section 2.01(1). The Revolving Commitment of each Revolving Lender shall automatically and permanently terminate on the Maturity Date for the applicable Revolving Facility.

(3) Application of Commitment Reductions; Payment of Fees. The Administrative Agent will promptly notify the Appropriate Lenders of any termination or reduction of unused portions of the L/C Sublimit, Swing Line Sublimit or the unused Commitments of any Class under this Section 2.06. Upon any reduction of unused Commitments of any Class, the Commitment of each Lender of such Class shall be reduced by such Lender's Pro Rata Share or other applicable share provided for under this Agreement of the amount by which such Commitments are reduced (other than the termination of the Commitment of any Lender as provided in Section 3.07). Any commitment fees accrued until the effective date of any termination of the Revolving Commitments shall be paid on the effective date of such termination.

SECTION 2.07 Repayment of Loans.

(1) Term Loans. The Borrower shall repay to the Administrative Agent for the ratable account of the Appropriate Lenders (a) on the last Business Day of each March, June, September and December, commencing with the last Business Day of September, 2015, an aggregate principal amount equal to 0.25% of the aggregate principal amount of all Closing Date Term Loans outstanding on the Closing Date (which payments shall be reduced as a result of the application of prepayments in accordance with the order of priority set forth in Section 2.05) and (b) on the Maturity Date for the Closing Date Term Loans, the aggregate principal amount of all Closing Date Term Loans outstanding on such date. In connection with any Incremental Term Loans that constitute part of the same Class as the Closing Date Term Loans, the Borrower and the Administrative Agent shall be permitted to adjust the rate of prepayment in respect of such Class such that the Term Lenders holding Closing Date Term Loans comprising part of such Class continue to receive a payment that is not less than the same dollar amount that such Term Lenders would have received absent the incurrence of such Incremental Term Loans.

(2) Revolving Loans. The Borrower shall repay to the Administrative Agent for the ratable account of the Appropriate Lenders on the Maturity Date for the applicable Revolving Facility the aggregate principal amount of all Revolving Loans under such Facility outstanding on such date.

(3) Swing Line Loans. The Borrower shall repay the aggregate principal amount of each Swing Line Loan on the earlier to occur of (a) the date selected by Swing Line Lender and (b) the Maturity Date for the applicable Revolving Facility.

SECTION 2.08 Interest.

(1) Subject to the provisions of Section 2.08(2), (a) each Eurodollar Rate Loan and CDOR Loan shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate per annum equal to the Eurodollar Rate or CDOR Rate for such Interest Period, respectively, *plus* the Applicable Rate, (b) each Base Rate Loan shall bear interest on the outstanding principal amount thereof from the applicable Borrowing date at a rate per annum equal to the Base Rate, *plus* the Applicable Rate and (c) each Swing Line Loan shall bear interest as provided in Section 2.04(1).

(2) During the continuance of a Default under Section 8.01(1), the Borrower shall pay interest on past due amounts hereunder at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws; *provided* that no interest at the Default Rate shall accrue or be payable to a Defaulting Lender so long as such Lender shall be a Defaulting Lender. Accrued and unpaid interest on past due amounts (including interest on past due interest) shall be due and payable upon demand.

(3) Interest on each Loan shall be due and payable in arrears on each Interest Payment Date applicable thereto and at such other times as may be specified herein. Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any Debtor Relief Law.

SECTION 2.09 Fees.

(1) Commitment Fee. The Borrower agrees to pay to the Administrative Agent for the account of each Revolving Lender under each Revolving Facility in accordance with its Pro Rata Share or other applicable share provided for under this Agreement, a commitment fee equal to the applicable Commitment Fee Rate times the actual daily amount by which the aggregate Revolving Commitment for the applicable Revolving Facility exceeds the sum of (a) the Outstanding Amount of Revolving Loans (for the avoidance of doubt, excluding any Swing Line Loans) for such Revolving Facility and (b) the Outstanding Amount of L/C Obligations for such Revolving Facility; *provided* that any commitment fee accrued with respect to any of the Commitments of a Defaulting Lender under such Revolving Facility during the period prior to the time such Lender became a Defaulting Lender and unpaid at such time shall not be payable by the Borrower so long as such Lender shall be a Defaulting Lender except to the extent that such commitment fee shall otherwise have been due and payable by the Borrower prior to such time; and *provided further* that no commitment fee shall accrue on any of the Commitments under any Revolving Facility of a Defaulting Lender so long as such Lender shall be a Defaulting Lender. The commitment fee on each Revolving Facility shall accrue at all times from the Closing Date until the Maturity Date for the applicable Revolving Facility, including at any time during which one or more of the conditions in Article IV is not met, and shall be due and payable quarterly in arrears on the last Business Day of each of March, June, September and December, commencing with the last Business Day of September, 2015, and on the Maturity Date for such Revolving Facility. The commitment fee shall be calculated quarterly in arrears, and if there is any change in the Commitment Fee Rate during any quarter, the actual daily amount shall be computed and multiplied by the Commitment Fee Rate separately for each period during such quarter that such Commitment Fee Rate was in effect.

(2) Other Fees. The Borrower shall pay to the Agents such fees as shall have been separately agreed upon in writing in the amounts and at the times so specified. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever (except as expressly agreed between the Borrower and the applicable Agent).

SECTION 2.10 Computation of Interest and Fees. All computations of interest for Base Rate Loans shall be made on the basis of a year of 365 days or 366 days, as the case may be, and actual days elapsed. All other computations of fees and interest shall be made on the basis of a 360-day year and actual days elapsed. Interest shall accrue on each Loan for the day on which the Loan is made, and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or such portion is paid; *provided* that any Loan that is repaid on the same day on which it is made shall, subject to Section 2.12(1), bear interest for one day. Each determination by the Administrative Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

SECTION 2.11 Evidence of Indebtedness.

(1) The Credit Extensions made by each Lender shall be evidenced by one or more accounts or records maintained by such Lender and evidenced by one or more entries in the Register maintained by the Administrative Agent, acting solely for purposes of Treasury Regulation Section 5f.103-1(c), as agent for the Borrower, in each case in the ordinary course of business. The accounts or records maintained by the Administrative Agent and each Lender shall be prima facie evidence absent manifest error of the amount of the Credit Extensions made by the Lenders to the Borrower and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Borrower hereunder to pay any amount owing with respect to the Obligations. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Administrative Agent, as set forth in the Register, in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error. Upon the request of any Lender made through the Administrative Agent, the Borrower shall execute and deliver to such Lender (through the Administrative Agent) a Note payable to such Lender, which shall evidence such Lender's Loans in addition to such accounts or records. Each Lender may attach schedules to its Note and endorse thereon the date, Type (if applicable), amount and maturity of its Loans and payments with respect thereto.

(2) In addition to the accounts and records referred to in Section 2.11(1), each Lender and the Administrative Agent shall maintain in accordance with its usual practice accounts or records and, in the case of the

Administrative Agent, entries in the Register, evidencing the purchases and sales by such Lender of participations in Letters of Credit and Swing Line Loans. In the event of any conflict between the accounts and records maintained by the Administrative Agent and the accounts and records of any Lender in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error.

(3) Entries made in good faith by the Administrative Agent in the Register pursuant to Sections 2.11(1) and (2), and by each Lender in its account or accounts pursuant to Sections 2.11(1) and (2), shall be prima facie evidence of the amount of principal and interest due and payable or to become due and payable from the Borrower to, in the case of the Register, each Lender and, in the case of such account or accounts, such Lender, under this Agreement and the other Loan Documents, absent manifest error; *provided* that the failure of the Administrative Agent or such Lender to make an entry, or any finding that an entry is incorrect, in the Register or such account or accounts shall not limit or otherwise affect the obligations of the Borrower under this Agreement and the other Loan Documents.

SECTION 2.12 Payments Generally.

(1) All payments to be made by the Borrower shall be made without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, all payments by the Borrower hereunder shall be made to the Administrative Agent, for the account of the respective Lenders to which such payment is owed, at the applicable Administrative Agent's Office for payment and in Same Day Funds not later than 2:00 p.m., New York time, on the date specified herein. The Administrative Agent will promptly distribute to each Appropriate Lender its Pro Rata Share (or other applicable share as provided herein) of such payment in like funds as received by wire transfer to such Lender's Lending Office. Any payments under this Agreement that are made later than 2:00 p.m., New York time, shall be deemed to have been made on the next succeeding Business Day (but the Administrative Agent may extend such deadline for purposes of computing interest and fees (but not beyond the end of such day) in its sole discretion whether or not such payments are in process).

(2) If any payment to be made by the Borrower shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be.

(3) Unless the Borrower or any Lender has notified the Administrative Agent, prior to the date, or in the case of any Borrowing of Base Rate Loans, prior to 1:00 p.m., New York time, on the date of such Borrowing, any payment is required to be made by it to the Administrative Agent hereunder (in the case of the Borrower, for the account of any Lender or an Issuing Bank hereunder or, in the case of the Lenders, for the account of any Issuing Bank, Swing Line Lender or the Borrower hereunder), that the Borrower or such Lender, as the case may be, will not make such payment, the Administrative Agent may assume that the Borrower or such Lender, as the case may be, has timely made such payment and may (but shall not be so required to), in reliance thereon, make available a corresponding amount to the Person entitled thereto. If and to the extent that such payment was not in fact made to the Administrative Agent in Same Day Funds, then:

(a) if the Borrower failed to make such payment, each Lender or Issuing Bank shall forthwith on demand repay to the Administrative Agent the portion of such assumed payment that was made available to such Lender or Issuing Bank in Same Day Funds, together with interest thereon in respect of each day from and including the date such amount was made available by the Administrative Agent to such Lender or Issuing Bank to the date such amount is repaid to the Administrative Agent in Same Day Funds at the applicable Overnight Rate from time to time in effect; and

(b) if any Lender failed to make such payment, such Lender shall forthwith on demand pay to the Administrative Agent the amount thereof in Same Day Funds, together with interest thereon for the period from the date such amount was made available by the Administrative Agent to the Borrower to the date such amount is recovered by the Administrative Agent (the "**Compensation Period**") at a rate per annum equal to the applicable Overnight Rate from time to time in effect. When such Lender makes payment to the Administrative Agent (together with all accrued interest thereon), then such payment amount (excluding the amount of any interest which may have accrued and been paid in respect of such late

payment) shall constitute such Lender's Loan included in the applicable Borrowing. If such Lender does not pay such amount forthwith upon the Administrative Agent's demand therefor, the Administrative Agent may make a demand therefor upon the Borrower, and the Borrower shall pay such amount, or cause such amount to be paid, to the Administrative Agent, together with interest thereon for the Compensation Period at a rate per annum equal to the rate of interest applicable to the applicable Borrowing. Nothing herein shall be deemed to relieve any Lender from its obligation to fulfill its Commitment or to prejudice any rights which the Administrative Agent or the Borrower may have against any Lender as a result of any default by such Lender hereunder. A notice of the Administrative Agent to any Lender or the Borrower with respect to any amount owing under this Section 2.12(3) shall be conclusive, absent manifest error.

(c) If any Lender makes available to the Administrative Agent funds for any Loan to be made by such Lender as provided in this Article II, and such funds are not made available to the Borrower by the Administrative Agent because the conditions to the applicable Credit Extension set forth in Section 4.02 are not satisfied or waived in accordance with the terms hereof, the Administrative Agent shall return such funds (in like funds as received from such Lender) to such Lender, without interest.

(d) The obligations of the Lenders hereunder to make Loans and to fund participations in Letters of Credit and Swing Line Loans are several and not joint. The failure of any Lender to make any Loan or fund any participation on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Loan or purchase its participation.

(e) Nothing herein shall be deemed to obligate any Lender to obtain the funds for any Loan in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner.

(f) Whenever any payment received by the Administrative Agent under this Agreement or any of the other Loan Documents is insufficient to pay in full all amounts due and payable to the Administrative Agent and the Lenders under or in respect of this Agreement and the other Loan Documents on any date, such payment shall be distributed by the Administrative Agent and applied by the Administrative Agent and the Lenders in the order of priority set forth in Section 8.03 (or otherwise expressly set forth herein). If the Administrative Agent receives funds for application to the Obligations of the Loan Parties under or in respect of the Loan Documents under circumstances for which the Loan Documents do not specify the manner in which such funds are to be applied, the Administrative Agent may, but shall not be obligated to, elect to distribute such funds to each of the Lenders in accordance with such Lender's Pro Rata Share or other applicable share provided for under this Agreement of the sum of (i) the Outstanding Amount of all Loans outstanding at such time and (ii) the Outstanding Amount of all L/C Obligations outstanding at such time, in repayment or prepayment of such of the outstanding Loans or other Obligations then owing to such Lender.

SECTION 2.13 Sharing of Payments. Other than as expressly provided elsewhere herein (including with respect to any discounted prepayment of Term Loans pursuant to Section 2.05(2)(e) or 2.05(2)(g)), if any Lender of any Class shall obtain payment in respect of any principal of or interest on account of the Loans of such Class made by it or the participations in L/C Obligations and Swing Line Loans held by it (whether voluntary, involuntary, through the exercise of any right of setoff, or otherwise) in excess of its ratable share (or other share contemplated hereunder) thereof, such Lender shall immediately (1) notify the Administrative Agent of such fact, and (2) purchase from the other Lenders such participations in the Loans of such Class made by them or such subparticipations in the participations in L/C Obligations or Swing Line Loans held by them, as the case may be, as shall be necessary to cause such purchasing Lender to share the excess payment in respect of any principal of or interest on such Loans of such Class or such participations, as the case may be, pro rata with each of them; *provided* that if all or any portion of such excess payment is thereafter recovered from the purchasing Lender under any of the circumstances described in Section 10.06 (including pursuant to any settlement entered into by the purchasing Lender in its discretion), such purchase shall to that extent be rescinded and each other Lender shall repay to the purchasing Lender the purchase price paid therefor, together with an amount equal to such paying Lender's ratable share (according to the proportion of (a) the amount of such paying Lender's required repayment to (b) the total amount so recovered from the purchasing Lender) of any interest or other amount paid or payable by the purchasing

Lender in respect of the total amount so recovered, without further interest thereon. For avoidance of doubt, the provisions of this Section 2.13 shall not be construed to apply to (i) any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement as in effect from time to time (including the application of funds arising from the existence of a Defaulting Lender) or (ii) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant permitted hereunder. The Borrower agrees that any Lender so purchasing a participation from another Lender may, to the fullest extent permitted by applicable Law, exercise all its rights of payment (including the right of setoff, but subject to Section 10.10) with respect to such participation as fully as if such Lender were the direct creditor of the Borrower in the amount of such participation. The Administrative Agent will keep records (which shall be conclusive and binding in the absence of manifest error) of participations purchased under this Section 2.13 and will in each case notify the Lenders following any such purchases or repayments. Each Lender that purchases a participation pursuant to this Section 2.13 shall from and after such purchase have the right to give all notices, requests, demands, directions and other communications under this Agreement with respect to the portion of the Obligations purchased to the same extent as though the purchasing Lender were the original owner of the Obligations purchased.

SECTION 2.14 Incremental Facilities.

(1) Incremental Loan Request. The Borrower may at any time and from time to time, on one or more occasions, after the Closing Date, by notice to the Administrative Agent (a) increase the aggregate principal amount of any outstanding Class of Term Loans (a "**Term Loan Increase**") or add one or more additional Classes of term loans under the Loan Documents (each an "**Incremental Term Facility**" and the term loans made thereunder, the "**Incremental Term Loans**") or (b) increase the aggregate principal amount of the Revolving Commitments (a "**Revolving Commitment Increase**") or establish one or more new revolving credit commitments (each an "**Incremental Revolving Facility**" and the revolving loans and other extensions of credit made thereunder, the "**Incremental Revolving Loans**") (each such increase to any existing Class of Loans or creation of a new Class of Loans pursuant to the preceding clauses (a) and (b), an "**Incremental Facility**" and the loans or other extensions of credit made thereunder, the "**Incremental Loans**").

(2) Ranking. Incremental Facilities will (a) rank *pari passu* in right of payment with the Closing Date Term Loans and the initial Revolving Commitments (subject to Section 8.03) and (b) will either be secured by Liens that rank on a *pari passu* or junior basis with or to the Liens securing the Obligations or be unsecured; *provided* that any Liens that rank on a junior basis to the Liens securing the Obligations will be subject to a Junior Lien Intercreditor Agreement.

(3) Size. The aggregate principal amount of Incremental Facilities on any date Indebtedness thereunder is first incurred, together with the aggregate principal amount of Permitted Incremental Equivalent Debt incurred at or prior to such time, will not exceed an amount equal to the Permitted Incremental Amount. Calculation of the Ratio Amount, if used, shall be evidenced by a certificate from a Responsible Officer of the Borrower demonstrating such calculation in reasonable detail. Unless the Borrower elects otherwise, each Incremental Facility shall be deemed incurred first under the Ratio Amount to the extent permitted, with the balance incurred under the Fixed Incremental Amount. Each Incremental Facility will be in an integral multiple Dollar Amount of $1.0 million and in an aggregate principal Dollar Amount that is not less than $10.0 million (or such lesser minimum amount approved by the Administrative Agent in its reasonable discretion); *provided* that such amount may be less than such minimum amount or integral multiple amount if such amount represents all the remaining availability under the limit set forth above.

(4) Incremental Lenders. Incremental Facilities may be provided by any existing Lender (it being understood that no existing Lender will have an obligation to make all or any portion of any Incremental Loan, nor will the Borrower have any obligation to approach any existing Lender(s) to provide any Incremental Loan) or by any Additional Lender on terms permitted by this Section 2.14; *provided* that the Administrative Agent, the Swing Line Lender and each Issuing Bank shall have consented (in each case, such consent not to be unreasonably withheld, conditioned or delayed) to any such Person's providing Incremental Revolving Facilities if such consent would be required under Section 10.07(b)(iii) for an assignment of such Loans or Revolving Commitments, as applicable, to such Person. While existing Lenders may (but are not obligated, unless invited and so elect, to) participate in any syndication of an Incremental Facility and may (but are not obligated, unless invited and so elect,

to) become lenders with respect thereto, the existing Lenders will not have any right to participate in any syndication, and will not have any right of first refusal or other right to provide all or any portion, of any Incremental Facility or Incremental Loan except to the extent the Borrower and the arrangers thereof, if any, in their discretion, choose to invite or include any such existing Lender (which may or may not apply to all existing Lenders and may or may not be pro rata among existing Lenders). Final allocations in respect of Incremental Facilities will be made by the Borrower together with the arrangers thereof, if any, in their discretion, on the terms permitted by this Section 2.14. For the avoidance of doubt, no Affiliated Lender may provide any Incremental Revolving Loans, and any Affiliated Lender that provides any Incremental Term Loans shall be subject to the limitations on Affiliated Lenders set forth in Section 10.07(h) (including the Affiliated Lender Cap).

(5) Incremental Facility Amendments; Use of Proceeds. Each Incremental Facility will become effective pursuant to an amendment (each, an "**Incremental Amendment**") to this Agreement and, as appropriate, the other Loan Documents, executed by the Borrower, each Person providing such Incremental Facility and the Administrative Agent. The Administrative Agent will promptly notify each Lender as to the effectiveness of each Incremental Amendment. Incremental Amendments may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent and the Borrower, to effect the provisions of this Section 2.14. An Incremental Amendment may (a) extend or add "call protection" to any existing Class of Term Loans, including amendments to Section 2.18, (b) amend the schedule of amortization payments relating to any existing tranche of Term Loans, including amendments to Section 2.07(1) (*provided* that any such amendment shall not decrease the dollar amount of any amortization payment to any Lender that would have otherwise been payable to such Lender prior to the effectiveness of the applicable Incremental Amendment) and (c) make other amendments to the terms of any existing Term Loans, in the case of each clause (a), (b) and (c), so that such Incremental Term Loans and the applicable existing Term Loans form the same Class of Term Loans; *provided* that such amendments are not adverse to the existing Term Loan Lenders (as determined in good faith by the Borrower). Each of the parties hereto hereby agrees that, upon the effectiveness of any Incremental Amendment, this Agreement and the other Loan Documents, as applicable, will be amended to the extent necessary to reflect the existence and terms of the Incremental Facility and the Incremental Term Loans evidenced thereby. The Borrower may use the proceeds of the Incremental Loans for any purpose not prohibited by this Agreement.

(6) Conditions. The availability of Incremental Facilities under this Agreement will be subject solely to the following conditions:

(a) no Event of Default shall exist after giving effect to such Incremental Facilities;*provided* that the condition set forth in this clause (a) may be waived (or not required) (other than with respect to Events of Default under Section 8.01(1) or, with respect to the Borrower only, Section 8.01 (6)) by the Persons providing such Incremental Facilities if the proceeds of the initial Borrowings under such Incremental Facilities will be used to finance, in whole or in part, an Investment or other acquisition or investment permitted hereunder; and

(b) the representations and warranties in the Loan Documents will be true and correct in all material respects (except for representations and warranties that are already qualified by materiality, which representations and warranties will be true and correct in all respects) immediately prior to, and immediately after giving effect to, the incurrence of such Incremental Facilities and the initial Borrowings thereunder; *provided* that, if the proceeds of the initial Borrowings under such Incremental Facilities will be used to finance, in whole or in part, an Investment or other acquisition or investment permitted hereunder, the condition set forth in this clause (b) may be waived (or not required) by the Persons providing more than 50% of such Incremental Facilities (other than with respect to (i) the Specified Representations (conformed as reasonably necessary for such Investment, acquisition or investment) and (ii) the Specified Acquisition Agreement Representations as applied to the target of such Investment, acquisition or investment (conformed as reasonably necessary for such Investment, acquisition or investment) and only to the extent that the failure of such Specified Acquisition Agreement Representations would result in a failure of a condition precedent to the obligation of the Borrower or any Restricted Subsidiary to consummate such Investment, acquisition or investment).

(7) Terms. Each Incremental Amendment will set forth the amount and terms of the relevant Incremental Facility. The terms of each Incremental Facility will be as agreed between the Borrower and the Persons providing such Incremental Loans; *provided* that:

(a) the final maturity date of such Incremental Term Loans will be no earlier than the Latest Maturity Date of the Closing Date Term Loans;

(b) the Weighted Average Life to Maturity of such Incremental Term Loans will be no shorter than the longest remaining Weighted Average Life to Maturity of the Closing Date Term Loans;

(c) such Incremental Term Loans may participate on a *pro rata* basis or a less than *pro rata* basis (but not greater than a *pro rata* basis) in any mandatory repayments or prepayments of the Term Loans (in each case, other than pursuant to a refinancing or with respect to greater than *pro rata* payments to an earlier maturing tranche) and may participate on a *pro rata* basis, less than *pro rata* basis or greater than *pro rata basis* in any voluntary prepayments of the Term Loans; and

(d) except as otherwise set forth herein, all other terms of any (i) Term Loan Increase or a Revolving Commitment Increase will be on terms and pursuant to documentation applicable to the Class of Term Loans or Revolving Commitments, as applicable, being increased by such Term Loan Increase or Revolving Commitment Increase, as applicable, and (ii) Incremental Facility shall be on terms and pursuant to documentation to be determined by the Borrower and the providers of such Incremental Facility, *provided* that, in each case, the operational and agency provisions contained in such documentation shall be reasonably satisfactory to the Administrative Agent

(8) Pricing. The interest rate, fees, and original issue discount for any Incremental Facilities will be as determined by the Borrower and the Persons providing such Incremental Facilities; *provided* that in the event that the All-In Yield applicable to any Incremental Term Loans exceeds the All-In Yield of any Closing Date Term Loans by more than 50 basis points, then the interest rate margins for such Closing Date Term Loans shall be increased to the extent necessary so that the All-In Yield of such Closing Date Term Loans is equal to the All-In Yield of such Incremental Term Loans *minus* 50 basis points; *provided further* that any increase in All-In Yield of the Closing Date Term Loans due to the increase in a Eurodollar Rate or Base Rate floor on any Incremental Term Loan shall be effected solely through an increase in any Eurodollar Rate or Base Rate floor applicable to such Closing Date Term Loans.

(9) Reallocation of Revolving Exposure. Upon each Revolving Commitment Increase pursuant to this Section 2.14,

(a) each Revolving Lender immediately prior to such increase will automatically and without further act be deemed to have assigned to each lender providing a portion of such increase (each an "**Incremental Revolving Lender**"), and each such Incremental Revolving Lender will automatically and without further act be deemed to have assumed, a portion of such Revolving Lender's participations hereunder in outstanding Letters of Credit and Swing Line Loans such that, after giving effect to each such deemed assignment and assumption of participations, the percentage of the aggregate outstanding participations hereunder in Letters of Credit and Swing Line Loans held by each Revolving Lender will equal the percentage of the aggregate Revolving Commitments of all Lenders represented by such Revolving Lender's Revolving Commitments; and

(b) if, on the date of such increase, there are any Revolving Loans outstanding, such Revolving Loans shall on or prior to the effectiveness of such Incremental Revolving Facility be prepaid from the proceeds of Incremental Revolving Loans made hereunder (reflecting such increase in Revolving Commitments), which prepayment shall be accompanied by accrued interest on the Revolving Loans being prepaid and any costs incurred by any Revolving Lender in accordance with Section 3.05.

(10) The Administrative Agent and the Lenders hereby agree that the minimum borrowing,*pro rata* borrowing and *pro rata* payment requirements contained elsewhere in this Agreement shall not apply to the transactions effected pursuant to the immediately preceding sentence.

SECTION 2.15 Refinancing Amendments.

(1) Refinancing Loans. At any time after the Closing Date, the Borrower may obtain, from any Lender or any Additional Lender, Credit Agreement Refinancing Indebtedness in respect of all or any portion of the Term Loans or Revolving Loans then outstanding under this Agreement, in the form of Refinancing Loans or Refinancing Commitments in each case pursuant to a Refinancing Amendment.

(2) Refinancing Amendments. The effectiveness of any Refinancing Amendment will be subject only to the satisfaction on the date thereof of such conditions precedent as may be requested by the providers of the applicable Refinancing Loans. The Administrative Agent will promptly notify each Lender as to the effectiveness of each Refinancing Amendment. Refinancing Amendments may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate in the reasonable opinion of the Administrative Agent and the Borrower, to effect the provisions of this Section 2.15 and to reflect the existence and terms of the Refinancing Loans incurred pursuant thereto (including any amendments necessary to treat the Term Loans or Revolving Loans subject thereto as Refinancing Term Loans or Refinancing Revolving Loans, respectively). A Refinancing Amendment may (a) extend or add "call protection" to any existing Class of Term Loans, including amendments to Section 2.18, (b) amend the schedule of amortization payments relating to any existing tranche of Term Loans, including amendments to Section 2.07(1) (*provided* that any such amendment shall not decrease the dollar amount of any amortization payment to any Lender that would have otherwise been payable to such Lender prior to the effectiveness of the applicable Refinancing Amendment) and (c) make other amendments to the terms of any existing Term Loans, in the case of each clause (a), (b) and (c), so that such Refinancing Term Loans and the applicable existing Term Loans form the same Class of Term Loans; *provided* that such amendments are not adverse to the applicable existing Term Loan Lenders (as determined in good faith by the Borrower). Each of the parties hereto hereby agrees that, upon the effectiveness of any Refinancing Amendment, this Agreement and the other Loan Documents, as applicable, will be amended to the extent necessary to reflect the existence and terms of the Refinancing Loans.

(3) Required Consents. Any Refinancing Amendment may, without the consent of any Person other than the Administrative Agent, the Borrower and the Persons providing the applicable Refinancing Loans, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent and the Borrower, to effect the provisions of this Section 2.15. This Section 2.15 supersedes any provision in this Agreement to the contrary (including Section 10.01).

(4) Providers of Refinancing Loans. Refinancing Loans may be provided by any existing Lender (it being understood that no exiting Lender shall have an obligation to make all or any portion of any Refinancing Loan) or by any Additional Lender on terms permitted by this Section 2.15; *provided* that the Administrative Agent, the Swing Line Lender and each Issuing Bank shall have consented (in each case, such consent not to be unreasonably withheld, conditioned or delayed) to any such Person's providing Refinancing Loans or Refinancing Commitments if such consent would be required under Section 10.07(b)(iii) for an assignment of Loans or Commitments to such Person. For the avoidance of doubt, any Affiliated Lender that provides any Refinancing Term Loans will be subject to the limitations on Affiliated Lenders set forth in Section 10.07(h) (including the Affiliated Lender Cap).

SECTION 2.16 Extensions of Loans.

(1) Extension Offers. Pursuant to one or more offers (each, an '**Extension Offer**") made from time to time by the Borrower to all Lenders holding Loans or Commitments of a particular Class with a like Maturity Date, the Borrower may extend such Maturity Date and otherwise modify the terms of such Loans or Commitments pursuant to the terms set forth in an Extension Offer (each, an "**Extension**," and each group of Loans or Commitments so extended, as well as any Loans of the same Class not so extended, each being a "**tranche**" for purposes of this Section 2.16). Each Extension Offer will specify the minimum amount of Loans or Commitments with respect to which an Extension Offer may be accepted, which will be an integral multiple of $1.0 million and an

aggregate principal amount that is not less than $10.0 million, or if less, (a) the aggregate principal amount of such Loans outstanding or (b) such lesser minimum amount as is approved by the Administrative Agent, such consent not to be unreasonably withheld, conditioned or delayed. Extension Offers will be made on a *pro rata* basis to all Lenders holding Loans or Commitments of a particular Class with a like Maturity Date. If the aggregate outstanding principal amount of such Loans (calculated on the face amount thereof) or Commitments in respect of which Lenders have accepted an Extension Offer exceeds the maximum aggregate principal amount of Loans or Commitments offered to be extended pursuant to such Extension Offer, then the Loans or Commitments of such Lenders will be extended ratably up to such maximum amount based on the respective principal amounts (but not to exceed actual holdings of record) with respect to which such Lenders have accepted such Extension Offer. There is no requirement that any Extension Offer or Extension Amendment (defined as follows) be subject to any "most favored nation" pricing provisions. The terms of an Extension Offer shall be determined by the Borrower, and Extension Offers may contain one or more conditions to their effectiveness, including a condition that a minimum amount of Loans or Commitments of any or all applicable tranches be tendered.

(2) Extension Amendments. The Lenders hereby irrevocably authorize the Administrative Agent to enter into amendments to this Agreement and the other Loan Documents (each, an "**Extension Amendment**") as may be necessary or appropriate in order to effect the provisions of this Section 2.16, establish new tranches in respect of Extended Loans and Extended Commitments and such amendments as permitted by clause (5) below as may be necessary or appropriate in the reasonable opinion of the Administrative Agent and the Borrower in connection with the establishment of such Extended Loans and Extended Commitments. An Extension Amendment may (a) extend or add "call protection" to any existing Class of Term Loans, including amendments to Section 2.18, (b) amend the schedule of amortization payments relating to any existing tranche of Term Loans, including amendments to Section 2.07(1) (*provided* that any such amendment shall not decrease the dollar amount of any amortization payment to any Lender that would have otherwise been payable to such Lender prior to the effectiveness of the applicable Extension Amendment) and (c) make other amendments to the terms of any existing Term Loans, in the case of each clause (a), (b) and (c), so that such Extended Term Loans and the applicable existing Term Loans form the same Class of Term Loans; *provided* that such amendments are not adverse to the existing Term Loan Lenders (as determined in good faith by the Borrower). This Section 2.16 supersedes any provision(s) in Section 2.13 or 10.01 to the contrary. Except as otherwise set forth in an Extension Offer, there will be no conditions to the effectiveness of an Extension Amendment. Extensions will not constitute a voluntary or mandatory payment or prepayment for purposes of this Agreement.

(3) Terms of Extension Offers and Extension Amendments. The terms of any Extended Loans and Extended Commitments will be set forth in an Extension Offer and as agreed between the Borrower and the Extending Lenders accepting such Extension Offer; *provided* that:

(a) the final maturity date of such Extended Loans and Extended Commitments will be no earlier than the Latest Maturity Date applicable to the Loans or Commitments subject to such Extension Offer;

(b) the Weighted Average Life to Maturity of any Extended Loans that are Term Loans will be no shorter than the remaining Weighted Average Life to Maturity of the Term Loans subject to such Extension Offer;

(c) any Extended Loans that are Term Loans may participate on a pro rata basis or a less than pro rata basis (but not greater than a pro rata basis) in any mandatory repayments or prepayments of the Term Loans (in each case, other than pursuant to a refinancing or with respect to greater than pro rata payments to an earlier maturing tranche) and may participate on a pro rata basis, less than pro rata basis or greater than pro rata basis in any voluntary prepayments of the Term Loans;

(d) such Extended Loans and Extended Commitments are not secured by any assets or property that does not constitute Collateral;

(e) such Extended Loans and Extended Commitments are not guaranteed by any Subsidiary of the Borrower other than a Subsidiary Loan Party; and

(f) the covenants and events of default applicable to Extended Loans or Extended Commitments are either (i) substantially identical to, or, taken as a whole, no more favorable to the Lenders providing such Extended Loans or Extended Commitments than, those applicable to the Loans subject to such Extension Offer, as determined in good faith by a Responsible Officer of the Borrower in its reasonable judgment or (ii) otherwise on customary market terms, as determined in good faith by a Responsible Officer of the Borrower in its reasonable judgment; *provided* that this clause (f) will not apply:

(A) if an Extension Offer is made with respect to all the Loans or Commitments of a particular Class and all such Loans or Commitments are accepted in such Extension Offer and amended pursuant to the applicable Extension Amendment or

(B) to any of the following:

(1) terms addressed in the preceding clauses (a) through (e),

(2) interest rate, fees, funding discounts and other pricing terms,

(3) redemption, prepayment or other premiums,

(4) optional redemption or prepayment terms and

(5) covenants and events of default applicable only to periods after the Latest Maturity Date at the time of incurrence of such Indebtedness.

Any Extended Loans will constitute a separate tranche of Term Loans or Revolving Loans from the Term Loans or Revolving Loans held by Lenders that did not accept the applicable Extension Offer.

(4) Extension of Revolving Commitments. In the case of any Extension of Revolving Commitments or Revolving Loans, the following shall apply:

(a) all borrowings and all prepayments of Revolving Loans shall continue to be made on a ratable basis among all Revolving Lenders, based on the relative amounts of their Revolving Commitments, until the repayment of the Revolving Loans attributable to the non-extended Revolving Commitments on the relevant Maturity Date;

(b) the allocation of the participation exposure with respect to any then-existing or subsequently issued Letter of Credit as between the Revolving Commitments of such new tranche and the remaining Revolving Commitments shall be made on a ratable basis in accordance with the relative amounts thereof until the Maturity Date relating to such non-extended Revolving Commitments has occurred;

(c) no termination of extended Revolving Commitments and no repayment of extended Revolving Loans accompanied by a corresponding permanent reduction in extended Revolving Commitments shall be permitted unless such termination or repayment (and corresponding reduction) is accompanied by at least a pro rata termination or permanent repayment (and corresponding pro rata permanent reduction), as applicable, of each other tranche of Revolving Loans and Revolving Commitments (or each other tranche of Revolving Commitments and Revolving Loans shall have otherwise been terminated and repaid in full);

(d) the Maturity Date with respect to the Revolving Commitments may not be extended without the prior written consent of the Swing Line Lender and the Issuing Banks; and

(e) at no time shall there be more than five (5) different tranches of Revolving Commitments (or greater than five (5) tranches to the extent agreed by the Administrative Agent).

If the aggregate Outstanding Amount of Revolving Loans, Swing Line Loans and L/C Obligations exceeds the Revolving Commitment as a result of the occurrence of the Maturity Date with respect to any tranche of Revolving Commitments while an extended tranche of Revolving Commitments remains outstanding, the Borrower shall make such payments as are necessary in order to eliminate such excess on such Maturity Date.

(5) Required Consents. No consent of any Lender or any other Person will be required to effectuate any Extension, other than the consent of the Administrative Agent (such consent not to be unreasonably withheld, delayed or condition), the Borrower and the applicable Extending Lender. The transactions contemplated by this Section 2.16 (including, for the avoidance of doubt, payment of any interest, fees or premium in respect of any Extended Loans on such terms as may be set forth in the relevant Extension Offer) will not require the consent of any other Lender or any other Person, and the requirements of any provision of this Agreement or any other Loan Document that may otherwise prohibit any such Extension or any other transaction contemplated by this Section 2.16 will not apply to any of the transactions effected pursuant to this Section 2.16.

SECTION 2.17 Defaulting Lenders.

(1) Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as that Lender is no longer a Defaulting Lender, to the extent permitted by applicable Law:

(a) Waivers and Amendments. That Defaulting Lender's right to approve or disapprove of any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in Section 10.01.

(b) Reallocation of Payments. Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of that Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article VIII or otherwise), shall be applied at such time or times as may be determined by the Administrative Agent as follows: first, to the payment of any amounts owing by that Defaulting Lender to the Administrative Agent hereunder; second, to the payment on a pro rata basis of any amounts owing by that Defaulting Lender to the relevant Swing Line Lender or Issuing Banks hereunder; third, if so determined by the Administrative Agent or requested by the relevant Swing Line Lender or Issuing Banks, to be held as Cash Collateral for future funding obligations of that Defaulting Lender of any participation in any Letter of Credit; fourth, as the Borrower may request (so long as no Default or Event of Default has occurred and is continuing), to the funding of any Loan in respect of which that Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; fifth, if so determined by the Administrative Agent and the Borrower, to be held in a non-interest bearing deposit account and released in order to satisfy obligations of that Defaulting Lender to fund Loans under this Agreement; sixth, to the payment of any amounts owing to the Lenders, the relevant Swing Line Lender or Issuing Banks as a result of any judgment of a court of competent jurisdiction obtained by any Lender, the relevant Swing Line Lender or Issuing Banks against that Defaulting Lender as a result of that Defaulting Lender's breach of its obligations under this Agreement; seventh, so long as no Default or Event of Default has occurred and is continuing, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against that Defaulting Lender as a result of that Defaulting Lender's breach of its obligations under this Agreement; and eighth, to that Defaulting Lender or as otherwise directed by a court of competent jurisdiction; *provided* that if (i) such payment is a payment of the principal amount of any Loans or L/C Borrowings in respect of which that Defaulting Lender has not fully funded its appropriate share and (ii) such Loans or L/C Borrowings were made at a time when the conditions set forth in Section 4.02 were satisfied or waived, such payment shall be applied solely to pay the Loans of, and L/C Borrowings owed to, all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of, or L/C Borrowings owed to, that Defaulting Lender. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this Section 2.17(1)(b) shall be deemed paid to and redirected by that Defaulting Lender, and each Lender irrevocably consents hereto.

(c) Certain Fees. That Defaulting Lender (i) shall not be entitled to receive any commitment fee pursuant to Section 2.09(1) for any period during which that Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender) and (ii) shall be limited in its right to receive Letter of Credit fees as provided in Section 2.03(9)

(d) Reallocation of Pro Rata Share to Reduce Fronting Exposure. During any period in which there is a Defaulting Lender, for purposes of computing the amount of the obligation of each Non-Defaulting Lender to acquire, refinance or fund participations in Letters of Credit or Swing Line Loans pursuant to Section 2.03, the "Pro Rata Share" of each Non-Defaulting Lender's Revolving Loans and L/C Obligations shall be computed without giving effect to the Commitment of that Defaulting Lender; *provided* that (i) each such reallocation shall be given effect only if, at the date the applicable Lender becomes a Defaulting Lender, no Default or Event of Default has occurred and is continuing; and (ii) the aggregate obligation of each Non-Defaulting Lender to acquire, refinance or fund participations in Letters of Credit or Swing Line Loans shall not exceed the positive difference, if any, of (1) the Commitment of that Non-Defaulting Lender *minus* (2) the aggregate Outstanding Amount of the Revolving Loans of that Non-Defaulting Lender. If the reallocation described above in this clause (d) cannot, or can only partially, be effected, the Borrower shall, without prejudice to any right or remedy available to it hereunder or under any law, (x) first, prepay Swing Line Loans in an amount equal to the Swing Line Lender's Fronting Exposure and (y) second, Cash Collateralize the applicable Issuing Banks' Fronting Exposure in accordance with the procedures set forth in Section 2.03(7).

(2) Defaulting Lender Cure. If the Borrower, the Administrative Agent, the Swing Line Lender and the relevant Issuing Banks agree in writing in their sole discretion that a Defaulting Lender should no longer be deemed to be a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), that Lender will, to the extent applicable, purchase that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Revolving Loans of the applicable Facility and funded and unfunded participations in Letters of Credit and Swing Line Loans to be held on a pro rata basis by the Lenders in accordance with their Pro Rata Share of the applicable Facility (without giving effect to Section 2.17(1)(d)), whereupon that Lender will cease to be a Defaulting Lender; *provided* that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; *provided further* that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. So long as any Lender is a Defaulting Lender, (i) the Swing Line Lender shall not be required to fund any Swing Line Loans unless it is satisfied that it will have no Fronting Exposure after giving effect to such Swing Line Loan and (ii) no Issuing Bank shall be required to issue, extent, renew or increase any Letter of Credit unless it is satisfied that it will have no Fronting Exposure after giving effect thereto.

SECTION 2.18 Loan Repricing Protection.

In the event that, on or prior to the six month anniversary of the Closing Date, the Borrower (a) makes any prepayment of Closing Date Term Loans in connection with any Repricing Transaction or (b) effects any amendment of this Agreement resulting in a Repricing Transaction, the Borrower shall pay to the Administrative Agent, for the ratable account of each applicable Lender, (i) in the case of clause (a), a prepayment premium of 1.00% of the aggregate principal amount of the Closing Date Term Loans being prepaid and (ii) in the case of clause (b), a payment equal to 1.00% of the aggregate principal amount of the applicable Closing Date Term Loans outstanding immediately prior to such amendment that is subject to such Repricing Transaction.

ARTICLE III

Taxes, Increased Costs Protection and Illegality

SECTION 3.01 Taxes.

(1) Except as required by applicable Law, any and all payments by any Loan Party to or for the account of any Agent or any Lender under any Loan Document shall be made free and clear of and without deduction for any Taxes.

(2) If any Loan Party or any other applicable withholding agent is required by applicable Law to make any deduction or withholding on account of any Taxes from any sum paid or payable by any Loan Party to any Lender or Agent under any of the Loan Documents:

(a) the applicable Loan Party shall notify the Administrative Agent of any such requirement or any change in any such requirement as soon as such Loan Party becomes aware of it;

(b) the applicable Loan Party or other applicable withholding agent shall be entitled to make such deduction or withholding and shall pay any amounts deducted or withheld to the relevant Governmental Authority any such Tax before the date on which penalties attach thereto, such payment to be made (if the liability to pay is imposed on any Loan Party) for its own account or (if that liability is imposed on the Lender or Agent) on behalf of and in the name of the Lender or Agent (as applicable);

(c) if the Tax in question is a Non-Excluded Tax or Other Tax, the sum payable to such Lender or Agent (as applicable) shall be increased by such Loan Party to the extent necessary to ensure that, after the making of any required deduction or withholding for Non-Excluded Taxes or Other Taxes (including any deductions or withholdings for Non-Excluded Taxes or Other Taxes attributable to any payments required to be made under this Section 3.01), the Lender or the Agent (as applicable) receives on the due date a net sum equal to what it would have received had no such deduction or withholding been required or made; and

(d) within thirty days after paying any sum from which it is required by Law to make any deduction or withholding, and within thirty days after the due date of payment of any Tax which it is required by clause (b) above to pay, the Borrower shall deliver to the Administrative Agent evidence reasonably satisfactory to the other affected parties of such deduction or withholding and of the remittance thereof to the relevant Governmental Authority.

(3) Status of Lender. The Administrative Agent and each Lender shall, at such times as are reasonably requested by the Borrower or the Administrative Agent, provide the Borrower and the Administrative Agent with any documentation prescribed by Laws or reasonably requested by the Borrower or the Administrative Agent certifying as to any entitlement of such Lender to an exemption from, or reduction in, withholding Tax with respect to any payments to be made to such Lender under any Loan Document. Each such Lender shall, whenever a lapse in time or change in circumstances renders such documentation (including any specific documentation required below in this Section 3.01(3)) obsolete, expired or inaccurate in any material respect, deliver promptly to the Borrower and the Administrative Agent updated or other appropriate documentation (including any new documentation reasonably requested by the Borrower or the Administrative Agent) or promptly notify the Borrower and Administrative Agent of its inability to do so.

Without limiting the foregoing:

(a) Each U.S. Lender shall deliver to the Borrower and the Administrative Agent on or before the date on which it becomes a party to this Agreement two properly completed and duly signed copies of Internal Revenue Service Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding.

(b) Each Foreign Lender shall deliver to the Borrower and the Administrative Agent on or before the date on which it becomes a party to this Agreement (and from time to time thereafter upon the request of the Borrower or the Administrative Agent) whichever of the following is applicable:

(i) two properly completed and duly signed copies of Internal Revenue Service FormW-8BEN or W-8BEN-E, as applicable (or any successor forms) claiming eligibility for the benefits of an income tax treaty to which the United States is a party, and such other documentation as required under the Code,

(ii) two properly completed and duly signed copies of Internal Revenue Service FormW-8ECI (or any successor forms),

(iii) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 871(h) or Section 881(c) of the Code, (A) two properly completed and duly signed certificates substantially in the form of Exhibit H (any such certificate, a "**United States Tax Compliance Certificate**") and (B) two properly completed and duly signed copies of Internal Revenue Service Form W-8BEN or W-8BEN-E, as applicable (or any successor forms),

(iv) to the extent a Foreign Lender is not the beneficial owner (for example, where the Foreign Lender is a partnership or a participating Lender), Internal Revenue Service Form W-8IMY (or any successor forms) of the Foreign Lender, accompanied by a Form W-8ECI, Form W-8BEN or W-8BEN-E, as applicable, United States Tax Compliance Certificate, Form W-9, Form W-8IMY and any other required information (or any successor forms) from each beneficial owner that would be required under this Section 3.01(3) if such beneficial owner were a Lender, as applicable (*provided* that if one or more beneficial owners are claiming the portfolio interest exemption, the United States Tax Compliance Certificate may be provided by such Foreign Lender on behalf of such beneficial owner), or

(v) two properly completed and duly signed copies of any other form prescribed by applicable U.S. federal income tax laws (including the Treasury Regulations) as a basis for claiming a complete exemption from, or a reduction in, United States federal withholding tax on any payments to such Lender under the Loan Documents.

(c) If a payment made to a Lender under any Loan Document would be subject to Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Sections 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this paragraph, the term "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Notwithstanding any other provision of this clause (c), a Lender shall not be required to deliver any form that such Lender is not legally eligible to deliver.

(4) In addition to the payments by a Loan Party required by Section 3.01(2), the Borrower shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(5) The Loan Parties shall, jointly and severally, indemnify a Lender or Agent (each a "**Tax Indemnitee**"), within 10 days after written demand therefor, for the full amount of any Non-Excluded Taxes paid or

payable by such Tax Indemnitee on or attributable to any payment under or with respect to any Loan Document, and any Other Taxes payable by such Tax Indemnitee (including Non-Excluded Taxes or Other Taxes imposed on or attributable to amounts payable under this Section 3.01), whether or not such Taxes were correctly or legally imposed or asserted by the Governmental Authority. A certificate as to the amount of such payment or liability prepared in good faith and delivered by the Tax Indemnitee or by the Administrative Agent on its own behalf or on behalf of another Tax Indemnitee, shall be conclusive absent manifest error.

(6) If and to the extent that a Tax Indemnitee, in its sole discretion (exercised in good faith), determines that it has received a refund of any Non-Excluded Taxes or Other Taxes in respect of which it has received additional payments under this Section 3.01, then such Tax Indemnitee shall pay to the relevant Loan Party the amount of such refund, net of all out-of-pocket expenses of the Tax Indemnitee (including any Taxes imposed with respect to such refund), and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), *provided* that the Loan Party, upon the request of the Tax Indemnitee, agrees to repay the amount paid over by the Tax Indemnitee (*plus* any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Tax Indemnitee to the extent the Tax Indemnitee is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (6), in no event will the Tax Indemnitee be required to pay any amount to a Loan Party pursuant to this paragraph (6) the payment of which would place the Tax Indemnitee in a less favorable net after-Tax position than the Tax Indemnitee would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This subsection shall not be construed to require a Tax Indemnitee to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to any Loan Party or any other Person.

(7) The agreements in this Section 3.01 shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

SECTION 3.02 Illegality. If any Lender reasonably determines that any Change in Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for such Lender or its applicable Lending Office to make, maintain or fund Loans whose interest is determined by reference to the Eurodollar Rate or the CDOR Rate, or to determine or charge interest rates based upon the Eurodollar Rate or the CDOR Rate, or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of, Dollars in the London interbank market, then, on written notice thereof by such Lender to the Borrower through the Administrative Agent, (1) any obligation of such Lender to make or continue Eurodollar Rate Loans or CDOR Loans or to convert Base Rate Loans to Eurodollar Rate Loans shall be suspended, and (2) if such notice asserts the illegality of such Lender making or maintaining Base Rate Loans the interest rate on which is determined by reference to the Eurodollar Rate component of the Base Rate, the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be reasonably determined by the Administrative Agent without reference to the Eurodollar Rate component of the Base Rate, in each case until such Lender notifies the Administrative Agent and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, (a) the Borrower may revoke any pending request for a Borrowing of, conversion to or continuation of Eurodollar Rate Loans or CDOR Loans and shall, upon demand from such Lender (with a copy to the Administrative Agent), prepay or, if applicable, (i) with respect to Loans denominated in Dollars, convert all Eurodollar Rate Loans of such Lender to Base Rate Loans (the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Eurodollar Rate component of the Base Rate) or (ii) with respect to Loans denominated in an Alternative Currency, the interest rate with respect to such Loans shall be determined by an alternative rate determined by the Administrative Agent in consultation with the Borrower, either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such Eurodollar Rate Loans or CDOR Loans to such day, or immediately, if such Lender may not lawfully continue to maintain such Eurodollar Rate Loans or CDOR Loans and (b) if such notice asserts the illegality of such Lender determining or charging interest rates based upon the Eurodollar Rate component of the Base Rate with respect to any Base Rate Loans, the Administrative Agent shall during the period of such suspension compute the Base Rate applicable to such Lender without reference to the Eurodollar Rate component thereof until the Administrative Agent is advised in writing by such Lender that it is no longer illegal for such Lender to determine or charge interest rates based upon the Eurodollar Rate. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted.

SECTION 3.03 Inability to Determine Rates. If the Required Lenders reasonably determine that for any reason in connection with any request for a Eurodollar Rate Loan or CDOR Loan or a conversion to or continuation thereof that

(1) Dollar deposits are not being offered to banks in the London interbank eurodollar market for the applicable amount and Interest Period of such Eurodollar Rate Loan,

(2) adequate and reasonable means do not exist for determining the Eurodollar Rate or CDOR Rate for any requested Interest Period with respect to a proposed Eurodollar Rate Loan or in connection with an existing or proposed Base Rate Loan, or

(3) the Eurodollar Rate or CDOR Rate for any requested Interest Period with respect to a proposed Eurodollar Rate Loan or CDOR Loan does not adequately and fairly reflect the cost to such Lenders of funding such Loan,

the Administrative Agent will promptly so notify the Borrower and each Lender. Thereafter, (i) the obligation of the Lenders to make or maintain Eurodollar Rate Loans or CDOR Loans, as the case may be, shall be suspended, and (ii) in the event of a determination described in the preceding sentence with respect to the Eurodollar Rate component of the Base Rate, the utilization of the Eurodollar Rate component in determining the Base Rate shall be suspended, in each case until the Administrative Agent (upon the instruction of the Required Lenders) revokes such notice. Upon receipt of such notice, the Borrower may revoke any pending request for a Borrowing of, conversion to or continuation of Eurodollar Rate Loans or, failing that, will be deemed to have converted such request into a request for a Borrowing of Base Rate Loans in the amount specified therein (or, in the case of a pending request with respect to a Loan denominated in an Alternative Currency, the Borrower and the Lenders may establish a mutually acceptable alternative rate).

SECTION 3.04 Increased Cost and Reduced Return; Capital Adequacy; Reserves on Eurodollar Rate Loans and CDOR Loans.

(1) Increased Costs Generally. If any Change in Law shall:

(a) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender;

(b) subject any Lender to any tax of any kind whatsoever with respect to this Agreement or any Eurodollar Rate Loan or CDOR Loan made by it, or change the basis of taxation of payments to such Lender in respect thereof (except for Non-Excluded Taxes or Other Taxes covered by Section 3.01 and any Excluded Taxes); or

(c) impose on any Lender or the London interbank market any other condition, cost or expense affecting this Agreement or Eurodollar Rate Loans or CDOR Loans made by such Lender that is not otherwise accounted for in the definition of "Eurodollar Rate", "CDOR Rate" or this clause (c);

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any Loan the interest on which is determined by reference to the Eurodollar Rate or the CDOR Rate (or of maintaining its obligation to make any such Loan), or to increase the cost to such Lender, or to reduce the amount of any sum received or receivable by such Lender (whether of principal, interest or any other amount) then, from time to time within fifteen (15) days after demand by such Lender setting forth in reasonable detail such increased costs (with a copy of such demand to the Administrative Agent), the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered; *provided* that such amounts shall only be payable by the Borrower to the applicable Lender under this Section 3.04(1) so long as it is such Lender's general policy or practice to demand compensation in similar circumstances under comparable provisions of other financing agreements.

(2) Capital Requirements. If any Lender reasonably determines that any Change in Law affecting such Lender or any Lending Office of such Lender or such Lender's holding company, if any, regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by it, or participations in or issuance of Letters of Credit by such Lender, to a level below that which such Lender or such Lender's holding company, as the case may be, could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy), then from time to time upon demand of such Lender setting forth in reasonable detail the charge and the calculation of such reduced rate of return (with a copy of such demand to the Administrative Agent), the Borrower will pay to such Lender additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered; *provided* that such amounts shall only be payable by the Borrower to the applicable Lender under this Section 3.04(2) so long as it is such Lender's general policy or practice to demand compensation in similar circumstances under comparable provisions of other financing agreements.

(3) Certificates for Reimbursement. A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in subsection (1) or (2) of this Section 3.04 and delivered to the Borrower shall be conclusive absent manifest error. The Borrower shall pay such Lender, as the case may be, the amount shown as due on any such certificate within fifteen (15) days after receipt thereof.

SECTION 3.05 Funding Losses. Upon written demand of any Lender (with a copy to the Administrative Agent) from time to time, which demand shall set forth in reasonable detail the basis for requesting such amount, the Borrower shall promptly compensate such Lender for and hold such Lender harmless from any loss, cost or expense (excluding loss of anticipated profits or margin) actually incurred by it as a result of:

(1) any continuation, conversion, payment or prepayment of any Eurodollar Rate Loan or CDOR Loan on a day prior to the last day of the Interest Period for such Loan (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise);

(2) any failure by the Borrower (for a reason other than the failure of such Lender to make a Loan) to prepay, borrow, continue or convert any Eurodollar Rate Loan or CDOR Loan on the date or in the amount notified by the Borrower; or

(3) any assignment of a Eurodollar Rate Loan or CDOR Loan on a day prior to the last day of the Interest Period therefor as a result of a request by the Borrower pursuant to Section 3.07; including any loss or expense (excluding loss of anticipated profits or margin) actually incurred by reason of the liquidation or reemployment of funds obtained by it to maintain such Eurodollar Rate Loan or CDOR Loan or from fees payable to terminate the deposits from which such funds were obtained.

Notwithstanding the foregoing, no Lender may make any demand under this Section 3.05 with respect to the "floor" specified in the proviso to the definition of "Eurodollar Rate".

SECTION 3.06 Matters Applicable to All Requests for Compensation.

(1) Designation of a Different Lending Office. If any Lender requests compensation under Section 3.04, or the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01, or if any Lender gives a notice pursuant to Section 3.02, then such Lender shall use reasonable efforts to designate a different Lending Office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the good faith judgment of such Lender such designation or assignment (a) would eliminate or reduce amounts payable pursuant to Section 3.01 or 3.04, as the case may be, in the future, or eliminate the need for the notice pursuant to Section 3.02, as applicable, and (b) in each case, would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender in any material economic, legal or regulatory respect.

(2) Suspension of Lender Obligations. If any Lender requests compensation by the Borrower under Section 3.04, the Borrower may, by notice to such Lender (with a copy to the Administrative Agent), suspend the obligation of such Lender to make or continue Eurodollar Rate Loans from one Interest Period to another Interest Period, or to convert Base Rate Loans into Eurodollar Rate Loans until the event or condition giving rise to such request ceases to be in effect (in which case the provisions of Section 3.06(3) shall be applicable); *provided* that such suspension shall not affect the right of such Lender to receive the compensation so requested.

(3) Conversion of Eurodollar Rate Loans. If any Lender gives notice to the Borrower (with a copy to the Administrative Agent) that the circumstances specified in Section 3.02, 3.03 or 3.04 hereof that gave rise to the conversion of such Lender's Eurodollar Rate Loans no longer exist (which such Lender agrees to do promptly upon such circumstances ceasing to exist) at a time when Eurodollar Rate Loans made by other Lenders, as applicable, are outstanding, such Lender's Base Rate Loans shall be automatically converted, on the first day(s) of the next succeeding Interest Period(s) for such outstanding Eurodollar Rate Loans to the extent necessary so that, after giving effect thereto, all Loans of a given Class held by the Lenders of such Class holding Eurodollar Rate Loans and by such Lender are held pro rata (as to principal amounts, interest rate basis, and Interest Periods) in accordance with their respective Pro Rata Shares.

(4) Delay in Requests. Failure or delay on the part of any Lender to demand compensation pursuant to the foregoing provisions of Sections 3.01 or 3.04 shall not constitute a waiver of such Lender's right to demand such compensation; *provided* that the Borrower shall not be required to compensate a Lender pursuant to the foregoing provisions of Section 3.01 or 3.04 for any increased costs incurred or reductions suffered more than one hundred and eighty (180) days prior to the date that such Lender notifies the Borrower of the event giving rise to such claim and of such Lender's intention to claim compensation therefor (except that, if the circumstance giving rise to such increased costs or reductions is retroactive, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof).

SECTION 3.07 Replacement of Lenders under Certain Circumstances. If (1) any Lender requests compensation under Section 3.04 or ceases to make Eurodollar Rate Loans or CDOR Loans as a result of any condition described in Section 3.02 or Section 3.04, (2) the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01 or 3.04, (3) any Lender is a Non-Consenting Lender, (4) any Lender becomes a Defaulting Lender or (5) any other circumstance exists hereunder that gives the Borrower the right to replace a Lender as a party hereto, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent:

(a) require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 10.07), all of its interests, rights and obligations under this Agreement (or, with respect to clause (3) above, all of its interests, rights and obligations with respect to the Class of Loans or Commitments that is the subject of the related consent, waiver, or amendment, as applicable) and the related Loan Documents to one or more Eligible Assignees that shall assume such obligations (any of which assignee may be another Lender, if a Lender accepts such assignment), *provided* that:

(i) the Borrower shall have paid to the Administrative Agent the assignment fee specified in Section 10.07(b)(iv);

(ii) such Lender shall have received payment of an amount equal to the applicable outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 3.05 and, in the case of a Repricing Transaction, any "prepayment premium" pursuant to Section 2.18 that would otherwise be owed in connection therewith) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);

(iii) such Lender being replaced pursuant to this Section 3.07 shall (i) execute and deliver an Assignment and Assumption with respect to all, or a portion, as applicable, of such Lender's Commitment and outstanding Loans and participations in L/C Obligations and Swing Line Loans and (ii) deliver any Notes evidencing such Loans to the Borrower or Administrative Agent (or a lost or destroyed note indemnity in lieu thereof); *provided* that the failure of any such Lender to execute an

Assignment and Assumption or deliver such Notes shall not render such sale and purchase (and the corresponding assignment) invalid and such assignment shall be recorded in the Register and the Notes shall be deemed to be canceled upon such failure;

(iv) the Eligible Assignee shall become a Lender hereunder and the assigning Lender shall cease to constitute a Lender hereunder with respect to such assigned Loans, Commitments and participations, except with respect to indemnification and confidentiality provisions under this Agreement, which shall survive as to such assigning Lender;

(v) in the case of any such assignment resulting from a claim for compensation under Section 3.04 or payments required to be made pursuant to Section 3.01, such assignment will result in a reduction in such compensation or payments thereafter;

(vi) such assignment does not conflict with applicable Laws;

(vii) any Lender that acts as an Issuing Bank may not be replaced hereunder at any time when it has any Letter of Credit outstanding hereunder unless arrangements reasonably satisfactory to such Issuing Bank (including the furnishing of a back-up standby letter of credit in form and substance, and issued by an issuer, reasonably satisfactory to such Issuing Bank or the depositing of Cash Collateral into a Cash Collateral Account in amounts and pursuant to arrangements reasonably satisfactory to such Issuing Bank) have been made with respect to each such outstanding Letter of Credit; and

(viii) the Lender that acts as Administrative Agent cannot be replaced in its capacity as Administrative Agent other than in accordance with Section 9.11, or

(b) terminate the Commitment of such Lender or Issuing Bank, as the case may be, and (A) in the case of a Lender (other than an Issuing Bank), repay all Obligations of the Borrower owing to such Lender relating to the Loans and participations held by such Lender as of such termination date (including in the case of a Repricing Transaction, any "prepayment premium" pursuant to Section 2.18 that would otherwise be owed in connection therewith) and (B) in the case of an Issuing Bank, repay all Obligations of the Borrower owing to such Issuing Bank relating to the Loans and participations held by such Issuing Bank as of such termination date and Cash Collateralize, cancel or backstop, or provide for the deemed reissuance under another facility, on terms satisfactory to such Issuing Bank any Letters of Credit issued by it; *provided* that in the case of any such termination of the Commitment of a Non-Consenting Lender such termination shall be sufficient (together with all other consenting Lenders) to cause the adoption of the applicable consent, waiver or amendment of the Loan Documents and such termination shall, with respect to clause (3) above, be in respect of all of its interests, rights and obligations with respect to the Class of Loans or Commitments that is the subject of the related consent, waiver and amendment.

In the event that (i) the Borrower or the Administrative Agent has requested that the Lenders consent to a departure or waiver of any provisions of the Loan Documents or agree to any amendment thereto, (ii) the consent, waiver or amendment in question requires the agreement of each Lender, all affected Lenders or all the Lenders or all affected Lenders with respect to a certain Class or Classes of the Loans/Commitments and (iii) the Required Lenders, Required Revolving Lenders or Required Facility Lenders, as applicable, have agreed to such consent, waiver or amendment, then any Lender who does not agree to such consent, waiver or amendment shall be deemed a "**Non-Consenting Lender**."

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

SECTION 3.08 Survival. All of the Borrower's obligations under this Article III shall survive termination of the Aggregate Commitments, repayment of all other Obligations hereunder and resignation of the Administrative Agent.

ARTICLE IV

Conditions Precedent to Credit Extensions

SECTION 4.01 Conditions to Credit Extensions on Closing Date. The obligation of each Lender to make a Credit Extension hereunder on the Closing Date is subject to satisfaction (or waiver) of the following conditions precedent, except as otherwise agreed between the Borrower and the Administrative Agent:

(1) The Administrative Agent's receipt of the following, each of which shall be originals, facsimiles or copies in ..pdf format (followed promptly by originals) unless otherwise specified, each properly executed by a Responsible Officer of the signing Loan Party:

(a) a Committed Loan Notice;

(b) executed counterparts of this Agreement and the Guaranty;

(c) each Collateral Document set forth on Schedule 4.01(1)(c) required to be executed on the Closing Date as indicated on such schedule, duly executed by each Loan Party that is party thereto, together with:

(i) certificates, if any, representing the Pledged Collateral referred to therein, and to the extent certificated, accompanied by undated stock powers executed in blank; and

(ii) evidence that all UCC-1 financing statements in the jurisdiction of organization of each Loan Party that the Administrative Agent and the Collateral Agent may deem reasonably necessary to satisfy the Collateral and Guarantee Requirement shall have been provided for, and arrangements for the filing thereof in a manner reasonably satisfactory to the Administrative Agent shall have been made;

(d) certificates of good standing from the secretary of state of the state of organization of each Loan Party (to the extent such concept exists in such jurisdiction), customary certificates of resolutions or other action, incumbency certificates or other certificates of Responsible Officers of each Loan Party evidencing the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with this Agreement and the other Loan Documents to which such Loan Party is a party or is to be a party on the Closing Date;

(e) a customary legal opinion from (i) Latham & Watkins LLP, special counsel to the Loan Parties, and (ii) Faegre Baker Daniels LLP, special Minnesota counsel to the Loan Parties;

(f) a solvency certificate from a Financial Officer of the Initial Borrower (after giving effect to the Transactions) substantially in the form attached hereto as Exhibit I; and

(g) copies of a recent Lien search in each jurisdiction reasonably requested by the Administrative Agent with respect to the Loan Parties to the extent requested by the Administrative Agent no less than thirty (30) days prior to the Closing Date;

provided, *however*, that each of the requirements set forth in clause (1)(c) above, including the delivery of any document(s) or instrument(s) necessary to satisfy the Collateral and Guarantee Requirement (except for the execution and delivery of the Security Agreement and to the extent that a Lien on Collateral may be perfected by (x) the filing of a financing statement under the UCC or (y) the delivery of the stock certificate of the Initial Borrower) will not constitute conditions precedent to the Borrowing on the Closing Date after the Initial Borrower's use of commercially reasonable efforts to provide such items on or prior to the Closing Date if the Initial Borrower agrees to deliver, or cause to be delivered, such documents and instruments, or take or cause to be taken such other actions as may be required to perfect such security interests within ninety (90) days after the Closing Date (subject to extensions approved by the Administrative Agent in its reasonable discretion) or, in the case of stock certificates of Life Time and its Subsidiaries constituting Pledged Collateral, no later than 5:00 p.m., New York time, on the Closing Date;

provided further that with respect to the requirements set forth in clauses (1)(b), (1)(c) or (1)(d) above, each Loan Document (or certificate or other document) required to be executed and delivered on the Closing Date by any Loan Party other than Holdings or Initial Borrower will not constitute conditions precedent to the initial of any Facility on the Closing Date; *provided* that each of Life Time and its Restricted Subsidiaries that are Loan Parties will execute and deliver any such document(s) substantially concurrently with the consummation of the Merger, but no later than 5:00 p.m. Minneapolis, Minnesota time on the Closing Date, and (ii) subject to the first proviso of this section 4.01(1), certificated securities issued by Life Time or its subsidiaries constituting Collateral and required to be delivered to the Administrative Agent under this Agreement, will be delivered promptly after consummation of the Merger, but in no event later than 5:00 p.m., New York City time, on the Closing Date.

(2) The Arrangers shall have received the Quarterly Financial Statements; *provided*, that the Arrangers hereby acknowledge that they have received the Quarterly Financial Statements for the fiscal quarter ended March 31, 2015 and that such Quarterly Financial Statements satisfy the condition in this clause (2).

(3) The Administrative Agent shall have received at least three (3) Business Days prior to the Closing Date all documentation and other information in respect of Holdings and the Borrower required under applicable "know your customer" and anti-money laundering rules and regulations, including the USA PATRIOT Act, that has been requested in writing by it at least ten (10) Business Days prior to the Closing Date.

(4) The Arrangers shall have received a certification by a Responsible Officer of the Initial Borrower that the following conditions have been satisfied:

(a) The Specified Representations and the Specified Acquisition Agreement Representations shall be true and correct in all material respects on and as of the Closing Date; *provided* that to the extent such representations and warranties specifically refer to an earlier date, they shall be true and correct in all material respects as of such earlier date; *provided further* that the condition precedent in this clause (4)(a) with respect to Specified Acquisition Agreement Representations shall fail to be satisfied only to the extent a breach of such Specified Acquisition Agreement Representations results in a failure of a condition precedent to the obligation of Holdings or the Initial Borrower to consummate the Merger pursuant to the terms of the Transaction Agreement or provides Holdings or the Initial Borrower with the right to, pursuant to the Transaction Agreement, terminate its obligations under the Transaction Agreement or decline to consummate the Merger as a result of the breach of such Specified Acquisition Agreement Representations.

(b) Prior to or substantially concurrently with the initial Borrowing on the Closing Date, (i) the Equity Contribution (subject to any reduction pursuant to the second proviso of this Section 4.01(4)(b) shall have been consummated; and (ii) the Merger shall have been consummated in accordance with the terms of the Transaction Agreement (which, since March 15, 2015 has not been amended or waived in any respect in a manner that is materially adverse to the Lenders on the Closing Date, in their capacities as such, without the consent of the Arrangers (such consent not to be unreasonably withheld, delayed or conditioned));

provided that each of the following will be deemed to be materially adverse to such Lenders:

(i) any change to the definition of "Company Material Adverse Effect" contained in the Transaction Agreement,

(ii) any waiver of the condition precedent set forth in Section 7.03(a)(iii) of the Transaction Agreement (regarding the absence of any "Company Material Adverse Effect" (as defined in the Transaction Agreement)) and

(iii) any amendment to or waiver of the condition set forth in the proviso in Section 1.02 of the Transaction Agreement (requiring the completion of the Marketing Period prior to the Closing (each as defined in the Transaction Agreement), including any amendment to or waiver of any component definition thereof) of the Transaction Agreement;

provided further that any reduction in the amount of consideration required to consummate the Merger shall be deemed not to be materially adverse to such Lenders and so long as any reduction will be allocated (A) first, to a reduction in the Equity Contribution until the Equity Contribution equals the Minimum Equity Contribution (as defined in the Commitment Letter) and (B) thereafter (1) 70% to a reduction in the Closing Date Term Loans and Senior Notes (on a *pro rata* basis) and (2) 30% to the Equity Contribution.

(c) Except as disclosed in the Disclosure Schedules (as defined in the Transaction Agreement) (it being understood that each section of the Disclosure Schedules shall be deemed to incorporate by reference all information disclosed in any other section of the Disclosure Schedules to the extent its relevance is reasonably apparent on its face) dated as of March 15, 2015, (i) since January 1, 2015 through the date of the Transaction Agreement, no Company Material Adverse Effect (as defined in the Transaction Agreement as of March 15, 2015) shall have occurred and (ii) during the period from March 15, 2015 to the Closing Date, there has not occurred any fact, circumstance, effect, change, event or development that, individually or in the aggregate, has had or would reasonably be expected to have a Company Material Adverse Effect, in the case of each of clauses (i) and (ii) that would result in the failure of a condition precedent to the obligation of Holdings or the Initial Borrower to consummate the Merger under the Transaction Agreement.

(5) All fees and expenses required to be paid hereunder and invoiced at least two (2) Business Days before the Closing Date shall have been paid in full.

(6) Prior to or substantially concurrently with the initial Borrowing on the Closing Date, the Closing Date Refinancing shall have been consummated.

Without limiting the generality of the provisions of the last paragraph of Section 9.03, for purposes of determining compliance with the conditions specified in this Section 4.01, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Closing Date specifying its objection thereto.

SECTION 4.02 Conditions to Credit Extensions after Closing Date.

Except as set forth in Section 2.14(6) with respect to Incremental Loans, Section 2.15(2) with respect to Refinancing Loans and 2.16(2) with respect to Extended Loans, and subject to Section 1.07(8), the obligation of each Lender to honor any Request for Credit Extension (other than a Committed Loan Notice requesting only a conversion of Loans to the other Type or a continuation of Eurodollar Rate Loans or CDOR Loans) after the Closing Date, is subject to the following conditions precedent:

(1) The representations and warranties of the Borrower contained in Article V or any other Loan Document shall be true and correct in all material respects on and as of the date of such Credit Extension*; provided* that to the extent that such representations and warranties specifically refer to an earlier date, they shall be true and correct in all material respects as of such earlier date; *provided further* that, any representation and warranty that is qualified as to "materiality," "Material Adverse Effect" or similar language shall be true and correct (after giving effect to any qualification therein) in all respects on such respective dates.

(2) No Default shall exist, or would result from such proposed Credit Extension or from the application of the proceeds therefrom.

(3) The Administrative Agent, the relevant Issuing Bank or the Swing Line Lender (as applicable) shall have received a Request for Credit Extension in accordance with the requirements hereof.

(4) Each Request for Credit Extension (other than a Committed Loan Notice requesting only a conversion of Loans to the other Type or a continuation of Eurodollar Rate Loans or CDOR Loans) submitted by the Borrower after the Closing Date shall be deemed to be a representation and warranty that the conditions specified in Sections 4.02(1) and 4.02(2) have been satisfied on and as of the date of the applicable Credit Extension.

In addition, solely to the extent the Borrower has delivered to the Administrative Agent a notice of intent to cure pursuant to Section 8.04, no request for Borrowing shall be honored after delivery of such notice until the applicable Cure Amount specified in such notice is actually received by the Borrower. For the avoidance of doubt, the preceding sentence shall have no effect on the continuation or conversion of any Loans outstanding.

ARTICLE V

Representations and Warranties

The Borrower represents and warrants to the Administrative Agent and the Lenders, after giving effect to the Merger, at the time of each Credit Extension (solely to the extent required to be true and correct for such Credit Extension pursuant to Article IV or Section 2.14, as applicable):

SECTION 5.01 Existence, Qualification and Power; Compliance with Laws. Each Loan Party and each of its respective Restricted Subsidiaries that is a Material Subsidiary:

(1) is a Person duly organized or formed, validly existing and in good standing under the Laws of the jurisdiction of its incorporation or organization (to the extent such concept exists in such jurisdiction),

(2) has all corporate or other organizational power and authority to (a) own or lease its assets and carry on its business as currently conducted and (b) in the case of the Loan Parties, execute, deliver and perform its obligations under the Loan Documents to which it is a party,

(3) is duly qualified and in good standing (to the extent such concept exists) under the Laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business as currently conducted requires such qualification,

(4) is in compliance with all applicable Laws, orders, writs, injunctions and orders and

(5) has all requisite governmental licenses, authorizations, consents and approvals to operate its business as currently conducted;

except in each case referred to in the preceding clauses (2)(a), (3), (4) or (5), to the extent that failure to do so would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

SECTION 5.02 Authorization; No Contravention.

(1) The execution, delivery and performance by each Loan Party of each Loan Document to which such Person is a party have been duly authorized by all necessary corporate or other organizational action.

(2) None of the execution, delivery and performance by each Loan Party of each Loan Document to which such Person is a party will:

(a) contravene the terms of any of such Person's Organizational Documents;

(b) result in any breach or contravention of, or the creation of any Lien upon any of the property or assets of such Person or any of the Restricted Subsidiaries (other than as permitted by Section 7.01) under (i) any Contractual Obligation to which such Loan Party is a party or affecting such Loan Party or the properties of such Loan party or any of its Subsidiaries or (ii) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Loan Party or its property is subject; or

(c) violate any applicable Law;

except with respect to any breach, contravention or violation (but not creation of Liens) referred to in the preceding clauses (b) and (c), to the extent that such breach, contravention or violation would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

SECTION 5.03 Governmental Authorization. No material approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority is necessary or required in connection with the execution, delivery or performance by, or enforcement against, any Loan Party of this Agreement or any other Loan Document, except for:

(1) filings and registrations necessary to perfect the Liens on the Collateral granted by the Loan Parties in favor of the Secured Parties,

(2) the approvals, consents, exemptions, authorizations, actions, notices and filings that have been duly obtained, taken, given or made and are in full force and effect (except to the extent not required to be obtained, taken, given or made or in full force and effect pursuant to the Collateral and Guarantee Requirement) and

(3) those approvals, consents, exemptions, authorizations or other actions, notices or filings, the failure of which to obtain or make would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

SECTION 5.04 Binding Effect. This Agreement and each other Loan Document has been duly executed and delivered by each Loan Party that is party hereto or thereto, as applicable. Each Loan Document constitutes a legal, valid and binding obligation of each Loan Party that is party thereto, enforceable against each such Loan Party in accordance with its terms, except as such enforceability may be limited by Debtor Relief Laws and by general principles of equity and principles of good faith and fair dealing.

SECTION 5.05 Financial Statements; No Material Adverse Effect.

(1) (a) The Annual Financial Statements and the Quarterly Financial Statements fairly present in all material respects the financial condition of the Acquired Company and its Subsidiaries as of the date(s) thereof and their results of operations for the period covered thereby in accordance with GAAP consistently applied throughout the periods covered thereby, (i) except as otherwise expressly noted therein and (ii) subject, in the case of the Quarterly Financial Statements, to changes resulting from normal year-end adjustments and the absence of footnotes.

(b) The unaudited *pro forma* consolidated balance sheet and related unaudited *pro forma* consolidated statement of income of Life Time as of and for the 12-month period ending on March 31, 2015, prepared after giving effect to the Transactions as if the Transactions had occurred at the beginning of such period (in the case of the statement of income) (collectively, the "**Pro Forma Financial Statements**"), copies of which have heretofore been furnished to the Administrative Agent, have been prepared based on the Annual Financial Statements and the Quarterly Financial Statements and have been prepared in good faith, based on assumptions believed by the Borrower to be reasonable as of the date of delivery thereof, and present fairly in all material respects on a *pro forma* basis the estimated financial position of Life Time and its Subsidiaries as of March 31, 2015 and their estimated results of operations for the period covered thereby.

(2) Since the Closing Date, there has been no event or circumstance, either individually or in the aggregate, that has had or would reasonably be expected to have a Material Adverse Effect.

(3) The forecasts of consolidated balance sheets and statements of income of Life Time and its Subsidiaries for each fiscal year ending after the Closing Date until the fifth anniversary of the Closing Date, copies of which have been furnished to the Administrative Agent prior to the Closing Date, when taken as a whole, have been prepared in good faith on the basis of the assumptions stated therein, which assumptions were believed to be reasonable at the time made and at the time the forecasts are delivered, it being understood that:

(a) no forecasts are to be viewed as facts,

(b) all forecasts are subject to significant uncertainties and contingencies, many of which are beyond the control of the Loan Parties or the Investors,

(c) no assurance can be given that any particular forecasts will be realized and

(d) actual results may differ and such differences may be material.

SECTION 5.06 Litigation. There are no actions, suits, proceedings, claims or disputes pending or, to the knowledge of the Borrower, overtly threatened in writing, at law, in equity, in arbitration or before any Governmental Authority, by or against Holdings, the Borrower or any of the Restricted Subsidiaries that would reasonably be expected to have a Material Adverse Effect.

SECTION 5.07 Labor Matters. Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect: (1) there are no strikes or other labor disputes against the Borrower or the Restricted Subsidiaries pending or, to the knowledge of the Borrower, overtly threatened in writing and (2) hours worked by and payment made based on hours worked to employees of each of the Borrower or the Restricted Subsidiaries have not been in violation of the Fair Labor Standards Act or any other applicable Laws dealing with wage and hour matters.

SECTION 5.08 Ownership of Property; Liens. Each Loan Party and each of its respective Restricted Subsidiaries has good and valid record title in fee simple to, or valid leasehold interests in, or easements or other limited property interests in, all real property necessary in the ordinary conduct of its business, free and clear of all Liens except for Liens permitted by Section 7.01 and except where the failure to have such title or other interest would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

SECTION 5.09 Environmental Matters. Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect: (a) each Loan Party and each of its Restricted Subsidiaries and their respective operations and properties is in compliance with all applicable Environmental Laws; (b) each Loan Party and each of its Restricted Subsidiaries has obtained and maintained all Environmental Permits required to conduct their operations; (c) none of the Loan Parties or any of their respective Restricted Subsidiaries has become subject to any pending or, to the knowledge of the Borrower, threatened Environmental Claim in writing or Environmental Liability; and (d) none of the Loan Parties or any of their respective Restricted Subsidiaries or predecessors has treated, stored, transported or Released Hazardous Materials at or from any currently or formerly owned, leased or operated real estate or facility.

SECTION 5.10 Taxes. Except as would not, either individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect, each Loan Party and each of its Restricted Subsidiaries has timely filed all Tax returns and reports required to be filed, and have timely paid all Taxes (including satisfying its withholding tax obligations) levied or imposed on their properties, income or assets (whether or not shown in a Tax return), except those which are being contested in good faith by appropriate actions diligently taken and for which adequate reserves have been provided in accordance with GAAP.

There is no proposed Tax assessment, deficiency or other claim against any Loan Party or any of its Restricted Subsidiaries except (i) those being actively contested by a Loan Party or such Restricted Subsidiary in good faith and by appropriate actions diligently taken and for which adequate reserves have been provided in accordance with GAAP or (ii) those which would not reasonably be expected to, individually or in the aggregate, have a Material Adverse Effect.

SECTION 5.11 ERISA Compliance.

(1) Except as would not, either individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect, each Plan is in compliance with the applicable provisions of ERISA, the Code and other federal or state Laws.

(2) (a) No ERISA Event has occurred or is reasonably expected to occur;

(b) no Pension Plan has failed to satisfy the minimum funding standards (within the meaning of Section 412 of the Code or Section 302 of ERISA) applicable to such Pension Plan;

(c) none of the Loan Parties or any of their respective ERISA Affiliates has incurred, or reasonably expects to incur, any liability (and no event has occurred which, with the giving of notice under Section 4219 of ERISA, would result in such liability) under Sections 4201 et seq. or 4243 of ERISA with respect to a Multiemployer Plan;

(d) none of the Loan Parties or any of their respective ERISA Affiliates has engaged in a transaction that is subject to Sections 4069 or 4212(c) of ERISA; and

(e) neither any Loan Party nor any ERISA Affiliate has been notified in writing by the sponsor of a Multiemployer Plan that such Multiemployer Plan is insolvent or has been determined to be in endangered or critical status and no such Multiemployer Plan is expected to be insolvent or in endangered or critical status,

except, with respect to each of the foregoing clauses of this Section 5.11(2), as would not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect.

(3) Except where noncompliance or the incurrence of an obligation would not reasonably be expected to result in a Material Adverse Effect, (a) each Foreign Plan has been maintained in substantial compliance with its terms and with the requirements of any and all applicable Laws, statutes, rules, regulations and orders, and (b) none of Holdings, the Borrower or any Subsidiary has incurred any obligation in connection with the termination of or withdrawal from any Foreign Plan.

SECTION 5.12 Subsidiaries.

(1) As of the Closing Date, after giving effect to the Transactions all of the outstanding Equity Interests in the Borrower and its Subsidiaries have been validly issued and are fully paid and (if applicable) non-assessable, and all Equity Interests owned by Holdings in the Borrower, and by the Borrower or any Subsidiary Guarantor in any of their respective Subsidiaries are owned free and clear of all Liens of any person except (a) those Liens created under the Collateral Documents and (b) any nonconsensual Lien that is permitted under Section 7.01.

(2) As of the Closing Date, Schedule 5.12 sets forth:

(a) the name and jurisdiction of each Subsidiary,

(b) the ownership interests of Holdings in the Borrower and of the Borrower and any Subsidiary of the Borrower in each Subsidiary, including the percentage of such ownership, and

(c) the Equity Interests of each Subsidiary described in clause (b) that are required to be pledged on the Closing Date after giving effect to the Transactions pursuant to the Collateral and Guarantee Requirement.

SECTION 5.13 Margin Regulations; Investment Company Act.

(a) As of the Closing Date, none of the Collateral is Margin Stock. No Loan Party is engaged nor will it engage, principally or as one of its important activities, in the business of purchasing or carrying Margin Stock (within the meaning of Regulation U issued by the Board of Governors of the Federal Reserve System of the United States), or extending credit for the purpose of purchasing or carrying Margin Stock, and no proceeds of any Borrowings will be used for any purpose that violates Regulation U.

(b) No Loan Party is an "investment company" under the Investment Company Act of 1940.

SECTION 5.14 Disclosure. None of the written information and written data heretofore or contemporaneously furnished in writing by or on behalf of the Borrower or any Subsidiary Guarantor to any Agent or any Lender on or prior to the Closing Date in connection with the Transactions, when taken as a whole, contains any material misstatement of fact or omits to state any material fact necessary to make such written information and written data taken as a whole, in the light of the circumstances under which it was delivered, not materially misleading (after giving effect to all modifications and supplements to such written information and written data, in each case, furnished after the date on which such written information or such written data was originally delivered and prior to the Closing Date); it being understood that for purposes of this Section 5.14, such written information and written data shall not include any projections, *pro forma* financial information, financial estimates, forecasts and forward-looking information or information of a general economic or general industry nature.

SECTION 5.15 Intellectual Property; Licenses, etc. The Borrower and the Restricted Subsidiaries have good and marketable title to, or a valid license or right to use, all patents, patent rights, trademarks, servicemarks, trade names, copyrights, technology, software, know-how database rights and other intellectual property rights (collectively, "**IP Rights**") that to the knowledge of the Borrower are reasonably necessary for the operation of their respective businesses as currently conducted, except where the failure to have any such rights, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. To the knowledge of the Borrower, the operation of the respective businesses of the Borrower or any Subsidiary of the Borrower as currently conducted does not infringe upon, dilute, misappropriate or violate any rights held by any Person except for such infringements, dilutions, misappropriations or violations, individually or in the aggregate, that would not reasonably be expected to have a Material Adverse Effect. No claim or litigation regarding any IP Rights is pending or, to the knowledge of the Borrower, threatened in writing against any Loan Party or Subsidiary, that, either individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

SECTION 5.16 Solvency. On the Closing Date after giving effect to the Transactions, the Borrower and the Restricted Subsidiaries, on a consolidated basis, are Solvent.

SECTION 5.17 USA PATRIOT Act; Anti-Terrorism Laws. To the extent applicable, Holdings, Borrower and the Restricted Subsidiaries are in compliance, in all material respects, with (i) the USA PATRIOT Act, (ii) the United States Foreign Corrupt Practices Act of 1977 (the "FCPA"), and (iii) the Trading with the Enemy Act, as amended, and each of the foreign assets control regulations of the United States Treasury Department (31 C.F.R. Subtitle B, Chapter V, as amended) and any other enabling legislation or executive order relating thereto. None of Holdings, Borrower or any Restricted Subsidiary nor, to the knowledge of the Borrower, any director, officer or employee of any of Holdings, the Borrower or any of the Restricted Subsidiaries, is currently the subject of any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("**OFAC**") ("Sanctions"). No proceeds of the Loans will be used by Holdings, the Borrower or any Restricted Subsidiary (a) directly or, to the knowledge of the Borrower, indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business, or to obtain any improper advantage, in violation of the FCPA or (b) for the purpose of financing activities of or with any Person, that, at the time of such financing, is the subject of any Sanctions administered by OFAC.

SECTION 5.18 Collateral Documents. Except as otherwise contemplated hereby or under any other Loan Documents and subject to limitations set forth in the Collateral and Guarantee Requirement, the provisions of the Collateral Documents, together with such filings and other actions required to be taken hereby or by the applicable Collateral Documents (including the delivery to Collateral Agent of any Pledged Collateral required to be delivered pursuant hereto or the applicable Collateral Documents), are effective to create in favor of the Collateral Agent for the benefit of the Secured Parties a legal, valid and enforceable first priority Lien (subject to Liens permitted by Section 7.01) on all right, title and interest of the respective Loan Parties in the Collateral described therein.

Notwithstanding anything herein (including this Section 5.18) or in any other Loan Document to the contrary, no Loan Party makes any representation or warranty as to (A) the effects of perfection or non-perfection, the priority or the enforceability of any pledge of or security interest in any Equity Interests of any Foreign Subsidiary, or as to the rights and remedies of the Agents or any Lender with respect thereto, under foreign Law, (B) the pledge or creation of any security interest, or the effects of perfection or non-perfection, the priority or the enforceability of any pledge of or security interest to the extent such pledge, security interest, perfection or priority is not required pursuant to the Collateral and Guarantee Requirement, (C) on the Closing Date and until required pursuant to Section 6.13 or 4.01, the pledge or creation of any security interest, or the effects of perfection or non-perfection, the priority or enforceability of any pledge or security interest to the extent not required on the Closing Date pursuant to Section 4.01 or (D) any Excluded Assets.

SECTION 5.19 Use of Proceeds. The Borrower has used the proceeds of the Loans and the Letters of Credit issued hereunder only in compliance with (and not in contravention of) each Loan Document.

ARTICLE VI

Affirmative Covenants

So long as the Termination Conditions have not been satisfied, the Borrower shall, and shall (except in the case of the covenants set forth in Sections 6.01, 6.02 and 6.03) cause each of the Restricted Subsidiaries to:

SECTION 6.01 Financial Statements. Deliver to the Administrative Agent for prompt further distribution by the Administrative Agent to each Lender each of the following:

(1) as soon as available, but in any event within ninety (90) days after the end of each fiscal year of the Borrower, commencing with the fiscal year ending December 31, 2015, a consolidated balance sheet of the Borrower and its Subsidiaries as at the end of such fiscal year, and the related consolidated statements of income or operations, stockholders' equity and cash flows for such fiscal year, together with related notes thereto and management's discussion and analysis describing results of operations in the form customarily prepared by management of the Borrower, setting forth in each case in comparative form the figures for the previous fiscal year, in reasonable detail and all prepared in accordance with GAAP, audited and accompanied by a report and opinion of Deloitte & Touche LLP, any other independent registered public accounting firm of nationally recognized standing or another accounting firm reasonably acceptable to the Administrative Agent, which report and opinion (a) will be prepared in accordance with generally accepted auditing standards and (b) will not be subject to any qualification as to the scope of such audit or be subject to any explanatory statement as to the Borrower's ability to continue as a "going concern" or like qualification (other than with respect to (i) an upcoming maturity or (ii) any actual or anticipated inability to satisfy a financial maintenance covenant (including, for the avoidance of doubt, the Financial Covenant));

(2) as soon as available, but in any event within forty-five (45) days after the end of each of the first three (3) fiscal quarters of each fiscal year of the Borrower, commencing with the fiscal quarter ending September 30, 2015, a condensed consolidated balance sheet of the Borrower and its Subsidiaries as at the end of such fiscal quarter, and the related (a) condensed consolidated statement of income or operations for such fiscal quarter and for the portion of the fiscal year then ended and (b) condensed consolidated statement of cash flows for the portion of the fiscal year then ended, setting forth, in each case of the preceding clauses (a) and (b), in comparative form the

figures for the corresponding fiscal quarter of the previous fiscal year and the corresponding portion of the previous fiscal year, accompanied by an Officer's Certificate stating that such financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Borrower and its Subsidiaries in accordance with GAAP, subject to normal year-end adjustments and the absence of footnotes, together with management's discussion and analysis describing results of operations in the form customarily prepared by management of the Borrower;

(3) within one hundred ninety (90) days after the end of each fiscal year, commencing with the 2015 fiscal year, a consolidated budget for the following fiscal year on a quarterly basis as customarily prepared by management of the Borrower for its internal use (including any projected consolidated balance sheet of the Borrower and its Subsidiaries as of the end of the following fiscal year and the related consolidated statements of projected operations or income, in each case, to the extent prepared by management of the Borrower and included in such consolidated budget), which projected financial statements shall be prepared in good faith on the basis of assumptions believed to be reasonable at the time of preparation of such projected financial statements (it being understood by the Secured Parties that any such projections are not to be viewed as facts, are subject to significant uncertainties and contingencies, many of which are beyond the control of the Loan Parties and the Investors and that no assurance can be given that any particular projections will be realized, that actual results may differ and that such differences may be material);

(4) simultaneously with the delivery of each set of consolidated financial statements referred to in Sections 6.01(1) and 6.01(2), the related unaudited (it being understood that such information may be audited at the option of the Borrower) consolidating financial statements reflecting the adjustments necessary to eliminate the accounts of Unrestricted Subsidiaries (if any) from such consolidated financial statements; and

(5) annually, upon request of the Administrative Agent, at a time mutually agreed with the Administrative Agent that is promptly after the delivery of the information required pursuant to Section 6.01(1) above, commencing with the delivery of information with respect to the 2015 fiscal year, to participate in a conference call for Lenders to discuss the financial position and results of operations of the Borrower and its Subsidiaries for the most recently ended period for which financial statements have been delivered.

Notwithstanding the foregoing, the obligations referred to in Sections 6.01(1) and 6.01(2) may be satisfied with respect to financial information of the Borrower and its Subsidiaries by furnishing (A) the applicable financial statements of any Parent Company or (B) the Borrower's or such Parent Company's Form 10-K or 10-Q, as applicable, filed with the SEC (and the public filing of such report with the SEC shall constitute delivery under this Section 6.01); *provided* that with respect to each of the preceding clauses (A) and (B), (1) to the extent such information relates to a parent of the Borrower, if and so long as such Parent Company will have Independent Assets or Operations, such information is accompanied by consolidating information that explains in reasonable detail the differences between the information relating to such Parent Company and its Independent Assets or Operations, on the one hand, and the information relating to the Borrower and the consolidated Restricted Subsidiaries on a stand-alone basis, on the other hand and (2) to the extent such information is in lieu of information required to be provided under Section 6.01(1) (it being understood that such information may be audited at the option of the Borrower), such materials are accompanied by a report and opinion of Deloitte & Touche LLP, any other independent registered public accounting firm of nationally recognized standing or another accounting firm reasonably acceptable to the Administrative Agent, which report and opinion (x) shall be prepared in accordance with generally accepted auditing standards and (y) shall not be subject to any qualification as to the scope of such audit or be subject to any explanatory statement as to the Borrower's ability to continue as a "going concern" or like qualification (other than with respect to (i) an upcoming maturity or (ii) any actual or anticipated inability to satisfy a financial maintenance covenant (including, for the avoidance of doubt, the Financial Covenant)).

Any financial statements required to be delivered pursuant to Sections 6.01(1) or 6.01(2) shall not be required to contain all purchase accounting adjustments relating to the Transactions or any other transaction(s) permitted hereunder to the extent it is not practicable to include any such adjustments in such financial statements.

SECTION 6.02 Certificates; Other Information. Deliver to the Administrative Agent for prompt further distribution by the Administrative Agent to each Lender:

(1) no later than five (5) days after the delivery of the financial statements referred to in Sections 6.01(1) and (2) (commencing with such delivery for the fiscal quarter ending September 30, 2015), a duly completed Compliance Certificate signed by a Financial Officer of the Borrower; *provided* that if such Compliance Certificate demonstrates a Financial Covenant Event of Default, any of the Permitted Holders may deliver, prior to or together with such Compliance Certificate, a notice of an intent to cure (a "**Notice of Intent to Cure**") pursuant to Section 8.02 to the extent permitted thereunder;

(2) promptly after the same are publicly available, copies of all annual, regular, periodic and special reports, proxy statements and registration statements which the Borrower or any Restricted Subsidiary files with the SEC or with any Governmental Authority that may be substituted therefor or with any national securities exchange, as the case may be (other than amendments to any registration statement (to the extent such registration statement, in the form it became effective, is delivered to the Administrative Agent), exhibits to any registration statement and, if applicable, any registration statement on Form S-8), and in any case not otherwise required to be delivered to the Administrative Agent pursuant to any other clause of this Section 6.02;

(3) promptly after the furnishing thereof, copies of any notices of default to any holder of any class or series of debt securities of any Loan Party having an aggregate outstanding principal amount greater than the Threshold Amount or pursuant to the terms of the Senior Notes Indenture so long as the aggregate outstanding principal amount thereunder is greater than the Threshold Amount (in each case, other than in connection with any board observer rights) and not otherwise required to be furnished to the Administrative Agent pursuant to any other clause of this Section 6.02;

(4) together with the delivery of the Compliance Certificate with respect to the financial statements referred to in Section 6.01(1), (a) a report setting forth the information required by Sections (I)(A) (other than with respect to any foreign qualification(s)) and (II)(B) of the Perfection Certificate (or confirming that there has been no change in such information since the latter of the Closing Date or the last such report) and (b) a list of each Subsidiary of the Borrower that identifies each Subsidiary as a Restricted Subsidiary or an Unrestricted Subsidiary as of the date of delivery of such list or a confirmation that there is no change in such information since the later of the Closing Date and the last such list; and

(5) promptly, such additional information regarding the business and financial affairs of any Loan Party or any Material Subsidiary that is a Restricted Subsidiary, or compliance with the terms of the Loan Documents, as the Administrative Agent may from time to time on its own behalf or on behalf of any Lender reasonably request in writing from time to time.

Documents required to be delivered pursuant to Section 6.01 or Section 6.02(2) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (a) on which the Borrower posts such documents, or provides a link thereto, on the Borrower's (or any Parent Company's) website on the Internet at the website address listed on Schedule 10.02 hereto (or as such address may be updated from time to time in accordance with Section 10.02); or (b) on which such documents are posted on the Borrower's behalf on IntraLinks/IntraAgency or another relevant website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent); *provided* that (i) upon written request by the Administrative Agent, the Borrower will deliver paper copies of such documents to the Administrative Agent for further distribution by the Administrative Agent to each Lender until a written request to cease delivering paper copies is given by the Administrative Agent and (ii) the Borrower shall notify (which may be by facsimile or electronic mail) the Administrative Agent of the posting of any such documents or link and, upon the Administrative Agent's request, provide to the Administrative Agent by electronic mail electronic versions (i.e., soft copies) of such documents. Each Lender shall be solely responsible for timely accessing posted documents or requesting delivery of paper copies of such documents from the Administrative Agent and maintaining its copies of such documents.

The Borrower hereby acknowledges that (a) the Administrative Agent will make available to the Lenders materials or information provided by or on behalf of the Borrower hereunder (collectively, the "**Borrower Materials**") by posting the Borrower Materials on Intralinks or another similar electronic system (the "**Platform**") and (b) certain of the Lenders may have personnel who do not wish to receive any information with respect to the Borrower, its Subsidiaries or their respective securities that is not Public-Side Information, and who may be engaged

in investment and other market-related activities with respect to such Person's securities. The Borrower hereby agrees that (i) at the Administrative Agent's request, all Borrower Materials that are to be made available to Public Lenders will be clearly and conspicuously marked "PUBLIC" which, at a minimum, means that the word "PUBLIC" will appear prominently on the first page thereof; (ii) by marking Borrower Materials "PUBLIC," the Borrower will be deemed to have authorized the Administrative Agent and the Lenders to treat such Borrower Materials as containing only Public-Side Information (*provided*, *however*, that to the extent such Borrower Materials constitute Information, they will be treated as set forth in Section 10.09); (iii) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated as "Public Side Information"; and (iv) the Administrative Agent and the Arrangers will treat the Borrower Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated as "Public Side Information." Notwithstanding the foregoing, the Borrower shall be under no obligation to mark the Borrower Materials "PUBLIC."

Anything to the contrary notwithstanding, nothing in this Agreement will require Holdings, the Borrower or any Subsidiary to disclose, permit the inspection, examination or making copies or abstracts of, or discussion of, any document, information or other matter, or provide information (i) that constitutes non-financial trade secrets or non-financial proprietary information, (ii) in respect of which disclosure is prohibited by Law or binding agreement or (iii) that is subject to attorney-client or similar privilege or constitutes attorney work product.

SECTION 6.03 Notices. Promptly after a Responsible Officer obtains actual knowledge thereof, notify the Administrative Agent of:

(1) the occurrence of any Default; and

(2) (a) any dispute, litigation, investigation or proceeding between any Loan Party and any arbitrator or Governmental Authority, (b) the filing or commencement of, or any material development in, any litigation or proceeding affecting any Loan Party or its Subsidiary, including pursuant to any applicable Environmental Laws or in respect of IP Rights, the occurrence of any noncompliance by any Loan Party or any of its Subsidiaries with, or liability under, any Environmental Law or Environmental Permit, or (c) the occurrence of any ERISA Event that, in any such case referred to in clauses (a), (b) or (c) of this Section 6.03(2), has resulted or would reasonably be expected to result in a Material Adverse Effect.

Each notice pursuant to this Section 6.03 shall be accompanied by a written statement of a Responsible Officer of the Borrower (a) that such notice is being delivered pursuant to Section 6.03(1) or (2) (as applicable) and (b) setting forth details of the occurrence referred to therein and stating what action the Borrower has taken and proposes to take with respect thereto.

SECTION 6.04 Payment of Obligations. Timely pay, discharge or otherwise satisfy, as the same shall become due and payable, all of its obligations and liabilities in respect of Taxes imposed upon it or upon its income or profits or in respect of its property, except, in each case, to the extent (1) any such Tax is being contested in good faith and by appropriate actions for which appropriate reserves have been established in accordance with GAAP or (2) the failure to pay or discharge the same would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

SECTION 6.05 Preservation of Existence, etc.

(1) Preserve, renew and maintain in full force and effect its legal existence under the Laws of the jurisdiction of its organization; and

(2) take all reasonable action to obtain, preserve, renew and keep in full force and effect its rights, licenses, permits, privileges, franchises, and IP Rights material to the conduct of its business,

except in the case of clause (1) or (2) to the extent (other than with respect to the preservation of the existence of the Borrower) that failure to do so would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect or pursuant to any merger, consolidation, liquidation, dissolution or disposition permitted by Article VII.

SECTION 6.06 Maintenance of Properties. Except if the failure to do so would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, maintain, preserve and protect all of its material properties and equipment used in the operation of its business in good working order, repair and condition, ordinary wear and tear excepted and casualty or condemnation excepted.

SECTION 6.07 Maintenance of Insurance.

(1) Maintain with insurance companies that the Borrower believes (in the good faith judgment of its management) are financially sound and reputable at the time the relevant coverage is placed or renewed or with a Captive Insurance Subsidiary, insurance with respect to the Borrower's and the Restricted Subsidiaries' properties and business against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar business, of such types and in such amounts (after giving effect to any self-insurance reasonable and customary for similarly situated Persons engaged in the same or similar businesses as the Borrower and the Restricted Subsidiaries) as are customarily carried under similar circumstances by such other Persons, and will furnish to the Lenders, upon written request from the Administrative Agent, information presented in reasonable detail as to the insurance so carried*; provided* that notwithstanding the foregoing, in no event will the Borrower or any Restricted Subsidiary be required to obtain or maintain insurance that is more restrictive than its normal course of practice. Each such policy of insurance will as appropriate, (i) name the Collateral Agent, on behalf of the Secured Parties, as an additional insured thereunder as its interests may appear or (ii) in the case of each casualty insurance policy, contain an additional loss payable clause or endorsement that names the Collateral Agent, on behalf of the Secured Parties, as the additional loss payee thereunder; *provided* that to the extent that the requirements of this Section 6.07 are not satisfied on the Closing Date, the Borrower may satisfy such requirements within ninety (90) days of the Closing Date (or such later date as the Administrative Agent may agree).

(2) If any improved portion of any Mortgaged Property is at any time located in an area identified by the Federal Emergency Management Agency (or any successor agency) as a special flood hazard area with respect to which flood insurance has been made available under the Flood Insurance Laws, then the Borrower will, or will cause each Loan Party to (a) maintain, or cause to be maintained, flood insurance in an amount and otherwise sufficient to comply with all applicable rules and regulations promulgated pursuant to the Flood Insurance Laws and (b) deliver to the Collateral Agent evidence of such compliance in form and substance reasonably acceptable to the Collateral Agent.

SECTION 6.08 Compliance with Laws. Comply in all material respects with the requirements of all Laws and all orders, writs, injunctions and decrees of any Governmental Authority applicable to it or to its business or property, except if the failure to comply therewith would not reasonably be expected individually or in the aggregate to have a Material Adverse Effect.

SECTION 6.09 Books and Records. Maintain proper books of record and account, in which entries that are full, true and correct in all material respects shall be made of all material financial transactions and matters involving the assets and business of the Borrower or such Restricted Subsidiary, as the case may be (it being understood and agreed that certain Foreign Subsidiaries may maintain individual books and records in conformity with generally accepted accounting principles in their respective countries of organization and that such maintenance shall not constitute a breach of the representations, warranties or covenants hereunder).

SECTION 6.10 Inspection Rights. Permit representatives and independent contractors of the Administrative Agent and each Lender to visit and inspect any of its properties, to examine its corporate, financial and operating records, and make copies thereof or abstracts therefrom and to discuss its affairs, finances and accounts with its directors, officers, and independent public accountants (subject to such accountants' customary policies and procedures), all at the reasonable expense of the Borrower and at such reasonable times during normal business hours and as often as may be reasonably desired, upon reasonable advance notice to the Borrower*; provided* that only the Administrative Agent on behalf of the Lenders may exercise rights of the Administrative Agent and the Lenders under this Section 6.10 and the Administrative Agent shall not exercise such rights more often than two (2) times during any calendar year absent the existence of an Event of Default and only one (1) such

time shall be at the Borrower's expense; *provided further* that when an Event of Default exists, the Administrative Agent (or any of its representatives or independent contractors) may do any of the foregoing at the expense of the Borrower at any time during normal business hours and upon reasonable advance notice. The Administrative Agent shall give the Borrower the opportunity to participate in any discussions with the Borrower's independent public accountants. For the avoidance of doubt, this Section 6.10 is subject to the last paragraph of Section 6.02.

SECTION 6.11 Covenant to Guarantee Obligations and Give Security. At the Borrower's expense, subject to the provisions of the Collateral and Guarantee Requirement and any applicable limitation in any Collateral Document, take all action necessary or reasonably requested by the Administrative Agent or the Collateral Agent to ensure that the Collateral and Guarantee Requirement continues to be satisfied, including:

(1) (x) upon (i) the formation or acquisition of any new direct or indirect wholly owned Material Domestic Subsidiary (other than any Excluded Subsidiary) by any Loan Party, (ii) the designation of any existing direct or indirect wholly owned Material Domestic Subsidiary (other than any Excluded Subsidiary) as a Restricted Subsidiary, (iii) any Subsidiary (other than any Excluded Subsidiary) becoming a wholly owned Material Domestic Subsidiary or (iv) an Excluded Subsidiary that is a Material Domestic Subsidiary ceasing to be an Excluded Subsidiary but continuing as a Restricted Subsidiary of the Borrower, (y) upon the acquisition of any material assets by the Borrower or any Subsidiary Guarantor or (z) with respect to any Subsidiary at the time it becomes a Loan Party, for any material assets held by such Subsidiary (in each case, other than assets constituting Collateral under a Collateral Document that becomes subject to the Lien created by such Collateral Document upon acquisition thereof (without limitation of the obligations to perfect such Lien)):

(a) within sixty (60) days (or such greater number of days specified below) after such formation, acquisition or designation or, in each case, such longer period as the Administrative Agent may agree in its reasonable discretion cause such Material Domestic Subsidiary required to become a Guarantor under the Collateral and Guarantee Requirement to execute the Guaranty (or a joinder thereto) and other documentation the Administrative Agent may reasonably request from time to time in order to carry out more effectively the purposes of the Guaranty and the Collateral Documents and

(A) within sixty (60) days (or within one hundred (120) days in the case of documents listed in Section 6.11(2)(b)) after such formation, acquisition or designation, cause each such Material Domestic Subsidiary that is required to become a Subsidiary Guarantor pursuant to the Collateral and Guarantee Requirement to duly execute and deliver to the Collateral Agent, Mortgages and the other items listed in Section 6.11(2)(b), *mutatis mutandis*, with respect to any Material Real Property, supplements to the Security Agreement, a counterpart signature page to the Intercompany Subordination Agreement, Intellectual Property Security Agreements and other security agreements and documents, as reasonably requested by and in form and substance reasonably satisfactory to the Collateral Agent (consistent with the Security Agreement, Intellectual Property Security Agreements and other Collateral Documents in effect on the Closing Date), in each case granting and perfecting Liens required by the Collateral and Guarantee Requirement;

(B) within sixty (60) days after such formation, acquisition or designation, cause each such Material Domestic Subsidiary that is required to become a Guarantor pursuant to the Collateral and Guarantee Requirement to deliver any and all certificates representing Equity Interests (to the extent certificated) that are required to be pledged pursuant to the Collateral and Guarantee Requirement, accompanied by undated stock powers or other appropriate instruments of transfer executed in blank and a joinder to the Intercompany Subordination Agreement substantially in the form of Annex I thereto with respect to the intercompany Indebtedness held by such Material Domestic Subsidiary;

(C) within sixty (60) days (or within one hundred and twenty (120) days in the case of documents listed in Section 6.11(2)(b)) after such formation, acquisition or designation, take and cause (i) the applicable Material Domestic Subsidiary that is required to become a Guarantor pursuant to the Collateral and Guarantee Requirement and (ii) to the extent applicable, each direct or indirect parent of such applicable Material Domestic Subsidiary, in each

case, to take customary action(s) (including the recording of Mortgages, the filing of Uniform Commercial Code financing statements and delivery of stock and membership interest certificates to the extent certificated) as may be necessary in the reasonable opinion of the Administrative Agent to vest in the Collateral Agent (or in any representative of the Collateral Agent designated by it) valid and perfected (subject to Liens permitted by Section 7.01) Liens required by the Collateral and Guarantee Requirement, enforceable against all third parties in accordance with their terms, except as such enforceability may be limited by Debtor Relief Laws and by general principles of equity (regardless of whether enforcement is sought in equity or at law); and

(D) within sixty (60) days (or one hundred and twenty (120) days in the case of documents listed in Section 6.11(2)(b)) after the reasonable request therefor by the Administrative Agent (or such longer period as the Administrative Agent may agree in its reasonable discretion), deliver to the Administrative Agent a signed copy of a customary Opinion of Counsel, addressed to the Administrative Agent and the Lenders, of counsel for the Loan Parties reasonably acceptable to the Administrative Agent as to such matters set forth in this Section 6.11(1) as the Administrative Agent may reasonably request;

provided that actions relating to Liens on real property are governed by Section 6.11(2) and not this Section 6.11(1).

(2) Material Real Property.

(a) Notice.

(i) Within sixty (60) days (or such longer period as the Collateral Agent may agree in its reasonable discretion), after the formation, acquisition or designation of a Material Domestic Subsidiary that is required to become a Subsidiary Guarantor under the Collateral and Guarantee Requirement, the Borrower will, or will cause such Material Domestic Subsidiary to, furnish to the Collateral Agent a description of any Material Real Property (other than any Excluded Asset(s)) owned by such Material Domestic Subsidiary.

(ii) Within sixty (60) days (or such longer period as the Collateral Agent may agree in its reasonable discretion), after the acquisition of any Material Real Property (other than any Excluded Asset(s)) by a Loan Party (other than Holdings), after the Closing Date, the Borrower will, or will cause such Loan Party to, furnish to the Collateral Agent a description of any such Material Real Property.

(b) Mortgages. The Borrower will, or will cause the applicable Loan Party to, provide the Collateral Agent with a Mortgage with respect to any Material Real Property that is the subject of a notice delivered pursuant to Section 6.11(2)(a), within ninety (90) days of the acquisition, formation or designation of such Material Domestic Subsidiary or the acquisition of such Material Real Property (or such longer period as the Collateral Agent may agree in its sole discretion), together with:

(i) evidence that counterparts of the Mortgages have been duly executed, acknowledged and delivered and are in form suitable for filing or recording in all filing or recording offices that the Collateral Agent may deem reasonably necessary or desirable in order to create, except to the extent otherwise provided hereunder, including subject to Liens permitted by Section 7.01, a valid and subsisting perfected Lien on such Material Real Property in favor of the Collateral Agent for the benefit of the Secured Parties and that all filing and recording taxes and fees have been paid or otherwise provided for in a manner reasonably satisfactory to the Collateral Agent;

(ii) fully paid American Land Title Association Lender's Extended Coverage title insurance policies or the equivalent or other form available in each applicable jurisdiction (the "**Mortgage Policies**") in form and substance, with endorsements available in the applicable jurisdiction and in amounts, reasonably acceptable to the Collateral Agent (not to exceed the fair market value of the real properties covered thereby), issued, coinsured and reinsured by title insurers reasonably acceptable to the Collateral Agent, insuring the Mortgages to be valid subsisting Liens on the property described therein,

subject only to Liens permitted by Section 7.01 or such other Liens reasonably satisfactory to the Collateral Agent that do not have an adverse impact on the use or value of the Mortgaged Properties, and providing for such other affirmative insurance (including endorsements for future advances under the Loan Documents) and such coinsurance and direct access reinsurance as the Collateral Agent may reasonably request and is available in the applicable jurisdiction;

(iii) customary Opinions of Counsel for the applicable Loan Parties in states in which such Material Real Properties are located, with respect to the enforceability and perfection of the Mortgage(s) and any related fixture filings, the authorization, execution and delivery of the Mortgages and such other matters as the Collateral Agent may reasonably request, in form and substance reasonably satisfactory to the Collateral Agent;

(iv) American Land Title/American Congress on Surveying and Mapping surveys for each Material Real Property or existing surveys together with no change Mortgaged affidavits, in each case certified to the Collateral Agent if deemed necessary by Collateral Agent in its reasonable discretion, sufficient for the title insurance company issuing a Mortgage Policy to remove the standard survey exception and issue standard survey related endorsements and otherwise reasonably satisfactory to the Collateral Agent (if reasonably requested by the Collateral Agent);

(v) a completed "Life-of-Loan" Federal Emergency Management Agency standard flood hazard determination with respect to each Material Real Property containing improved land addressed to the Collateral Agent and otherwise in compliance with the Flood Insurance Laws, and if any such Material Real Property is located in an area determined by the Federal Emergency Management Agency (or any successor agency) to be a special flood hazard area, the Borrower's duly executed acknowledgement of receipt of written notification from the Collateral Agent about special flood hazard area status and flood disaster assistance and evidence that the Borrower or applicable Loan Party has obtained flood insurance reasonably satisfactory to the Collateral Agent that is in compliance with all applicable requirements of the Flood Insurance Laws; and

(vi) as promptly as practicable after the reasonable request therefor by the Collateral Agent, environmental assessment reports and reliance letters (if any) that have been prepared in connection with such acquisition, designation or formation of any Material Domestic Subsidiary or acquisition of any Material Real Property.

SECTION 6.12 Compliance with Environmental Laws. Except, in each case, to the extent that the failure to do so would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (1) comply, and take all reasonable actions to cause any lessees and other Persons operating or occupying its properties to comply, with all applicable Environmental Laws and Environmental Permits (including any cleanup, removal or remedial obligations) and (2) obtain and renew all Environmental Permits required to conduct its operations or in connection with its properties.

SECTION 6.13 Further Assurances and Post-Closing Covenant.

(1) Subject to the provisions of the Collateral and Guarantee Requirement and any applicable limitations in any Collateral Document and in each case at the expense of the Borrower, promptly upon reasonable request from time to time by the Administrative Agent or the Collateral Agent or as may be required by applicable Laws (a) correct any material defect or error that may be discovered in the execution, acknowledgment, filing or recordation of any Collateral Document or other document or instrument relating to any Collateral, and (b) do, execute, acknowledge, deliver, record, re-record, file, re-file, register and re-register any and all such further acts, deeds, certificates, assurances and other instruments as the Administrative Agent or Collateral Agent may reasonable request from time to time in order to carry out more effectively the purposes of the Collateral Documents and to satisfy the Collateral and Guarantee Requirement.

(2) As promptly as practicable, and in any event no later than ninety (90) days after the Closing Date or such later date as the Administrative Agent reasonably agrees to in writing, including to reasonably accommodate circumstances unforeseen on the Closing Date, deliver the documents or take the actions required

pursuant to sub clauses (i) through (vi) of Section 6.11(2)(b) hereof with respect to any Mortgaged Properties listed in Schedule 1.01(2), including the Phase I Environmental Site Assessments prepared by EMG in connection with the Transactions, as if notice had been provided with respect to such Mortgaged Properties listed in Schedule 1.01(2), except to the extent otherwise agreed by the Administrative Agent pursuant to its authority as set forth in the definition of the term "Collateral and Guarantee Requirement."

SECTION 6.14 Use of Proceeds.

(1) The proceeds of the Closing Date Term Loans and Closing Date Revolving Borrowings, together with the proceeds of the Equity Contribution and the Senior Notes, will be used on the Closing Date to (a) repay Indebtedness incurred under the Existing Credit Agreement and certain other Indebtedness, in each case together with any premium and accrued and unpaid interest thereon and any fees and expenses with respect thereto, (b) pay (i) any original issue discount or upfront fees in connection with the Transactions resulting from the exercise of any "market flex" pursuant to the Fee Letter, (ii) the Transaction Consideration and (iii) the Transaction Expenses and (c) to the extent any such proceeds remain after the foregoing uses, for general corporate purposes not prohibited by the terms of this Agreement.

(2) The proceeds of the Revolving Loans and Swing Line Loans borrowed after the Closing Date will be used for working capital and other general corporate purposes, including the financing of transactions that are not prohibited by the terms of this Agreement (including Permitted Acquisitions and other investments permitted hereunder).

(3) Letters of Credit will be used by the Borrower for general corporate purposes of the Borrower, Holdings and the Restricted Subsidiaries, including supporting transactions not prohibited by the Loan Documents.

SECTION 6.15 Maintenance of Ratings. Use commercially reasonable efforts to maintain (1) a public corporate credit rating (but not any specific rating) from S&P and a public corporate family rating (but not any specific rating) from Moody's, in each case in respect of the Borrower, and (2) a public rating (but not any specific rating) in respect of each Term Facility as of the Closing Date from each of S&P and Moody's.

ARTICLE VII

Negative Covenants

So long as the Termination Conditions are not satisfied:

SECTION 7.01 Liens. The Borrower shall not, nor shall the Borrower permit any Restricted Subsidiary to, directly or indirectly, create, incur or assume any Lien (except any Permitted Lien(s)) that secures obligations under any Indebtedness or any related guarantee of Indebtedness on any asset or property of the Borrower or any Restricted Subsidiary, or any income or profits therefrom.

The expansion of Liens by virtue of accretion or amortization of original issue discount, the payment of dividends in the form of Indebtedness, and increases in the amount of Indebtedness outstanding solely as a result of fluctuations in the exchange rate of currencies will not be deemed to be an incurrence of Liens for purposes of this Section 7.01.

SECTION 7.02 Indebtedness.

(a) The Borrower shall not, nor shall the Borrower permit any Restricted Subsidiary to, directly or indirectly:

(i) create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise (collectively, "**incur**" and collectively, an "**incurrence**") with respect to any Indebtedness (including Acquired Indebtedness), or

(ii) issue any shares of Disqualified Stock or permit any Restricted Subsidiary to issue any shares of Disqualified Stock or Preferred Stock;

provided that the Borrower may incur Indebtedness (including Acquired Indebtedness) or issue shares of Disqualified Stock, and any Restricted Subsidiary may incur Indebtedness (including Acquired Indebtedness), issue shares of Disqualified Stock and issue shares of Preferred Stock, in each case if no Event of Default exists or would result therefrom (subject to Section 1.07(8)), and either:

(A) the Fixed Charge Coverage Ratio of the Borrower for the Test Period preceding the date on which such additional Indebtedness is incurred or such Disqualified Stock or Preferred Stock is issued (or, in the case of Indebtedness under Designated Revolving Commitments, on the date such Designated Revolving Commitments are established after giving *pro forma* effect to the incurrence of the entire committed amount of Indebtedness thereunder, in which case such committed amount under such Designated Revolving Commitments may thereafter be borrowed and reborrowed, in whole or in part, from time to time, without further compliance with this proviso) would have been (A) at least 2.00 to 1.00 or (B) no less than the Fixed Charge Coverage Ratio immediately prior to giving effect to such incurrence of Indebtedness or issuance of Disqualified Stock or Preferred Stock; or

(B) the Total Net Leverage Ratio of the Borrower for the Test Period preceding the date on which such additional Indebtedness is incurred or such Disqualified Stock or Preferred Stock is issued (or, in the case of Indebtedness under Designated Revolving Commitments, on the date such Designated Revolving Commitments are established after giving *pro forma* effect to the incurrence of the entire committed amount of Indebtedness thereunder, in which case such committed amount under such Designated Revolving Commitments may thereafter be borrowed and reborrowed, in whole or in part, from time to time, without further compliance with this proviso) (without netting any cash received from the incurrence of such Indebtedness) would be no greater than 5.10 to 1.00

in each case, determined on a *pro forma* basis (including a *pro forma* application of the net proceeds therefrom), as if the additional Indebtedness had been incurred, or the Disqualified Stock or Preferred Stock had been issued, as the case may be, and the application of proceeds therefrom had occurred at the beginning of such Test Period;

provided further that Restricted Subsidiaries of the Borrower that are not Guarantors may not incur Indebtedness or issue Disqualified Stock or Preferred Stock under this Section 7.02(a) if, after giving *pro forma* effect to such incurrence or issuance (including a *pro forma* application of the net proceeds therefrom), the aggregate amount of Indebtedness, Disqualified Stock and Preferred Stock of such Restricted Subsidiaries incurred or issued pursuant to this Section 7.02(a) then outstanding would exceed the greater of (1) $100.0 million and (2) an amount equal to the Equivalent Percentage of the amount in the preceding clause (1) multiplied by TTM Run-Rate Adjusted EBITDA of the Borrower for the most recently ended Test Period on the date of such incurrence.

(b) The provisions of Section 7.02(a) will not apply to:

(1) Indebtedness under the Loan Documents (including Incremental Loans, Refinancing Loans and Extended Loans);

(2) the incurrence by the Borrower and any Guarantor of Indebtedness represented by the Senior Notes and any Guarantees thereof (but excluding any Additional Notes (as defined in the Senior Notes Indenture) issued after the Closing Date);

(3) (a) the incurrence of Indebtedness by the Borrower and any Restricted Subsidiary in existence on the Closing Date (excluding Indebtedness described in the preceding clauses (1) and (2), but including Indebtedness in respect of Existing Mortgage Debt);

(4) (a) the incurrence of Attributable Indebtedness and (b) Indebtedness (including Capitalized Lease Obligations and Purchase Money Obligations), Disqualified Stock and Preferred Stock incurred or issued by the Borrower or any Restricted Subsidiary and Preferred Stock issued by any Restricted Subsidiary, to finance the purchase, lease, expansion, construction, installation, replacement, repair or improvement of property (real or personal), equipment or other assets, including assets that are used or useful in a Similar Business, whether through the direct purchase of assets or the Capital Stock of any Person owning such assets in an aggregate principal amount, together with any Refinancing Indebtedness in respect thereof (excluding any Incremental Amounts) and all other Indebtedness, Disqualified Stock or Preferred Stock incurred or issued and outstanding under this clause (4), at such time not to exceed the greater of (i) $100.0 million and (ii) the Equivalent Percentage of the amount set forth in clause (i) multiplied by TTM Run-Rate Adjusted EBITDA of the Borrower for the most recently ended Test Period on the date of such incurrence and (ii) any Refinancing Indebtedness thereof;

(5) Indebtedness incurred by the Borrower or any Restricted Subsidiary (a) constituting reimbursement obligations with respect to letters of credit, bank guarantees, banker's acceptances, warehouse receipts, or similar instruments issued or entered into, or relating to obligations or liabilities incurred, in the ordinary course of business or consistent with industry practice, including in respect of workers' compensation claims, performance, completion or surety bonds, health, disability or other employee benefits or property, casualty or liability insurance or self-insurance, unemployment insurance or other social security legislation or other Indebtedness with respect to reimbursement-type obligations regarding workers' compensation claims, performance, completion or surety bonds, health, disability or other employee benefits or property, casualty or liability insurance or self-insurance or (b) as an account party in respect of letters of credit, bank guarantees or similar instruments in favor of suppliers, trade creditors or other Persons issued or incurred in the ordinary course of business or consistent with industry practice;

(6) the incurrence of Indebtedness arising from agreements of the Borrower or any Restricted Subsidiary providing for indemnification, adjustment of purchase price, earnouts or similar obligations, in each case, incurred or assumed in connection with the acquisition or disposition of any business, assets or a Subsidiary, other than guarantees of Indebtedness incurred by any Person acquiring all or any portion of such business, assets or a Subsidiary for the purpose of financing such acquisition;

(7) the incurrence of Indebtedness of the Borrower to a Restricted Subsidiary (or to any Parent Company which is substantially contemporaneously transferred to the Borrower or any Restricted Subsidiary); *provided* that any such Indebtedness for borrowed money owing to a Restricted Subsidiary that is not a Guarantor is expressly subordinated in right of payment to the Loans to the extent permitted by applicable law and it does not result in adverse tax consequences; *provided further* that any subsequent issuance or transfer of any Capital Stock or any other event that results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such Indebtedness (except to the Borrower or another Restricted Subsidiary or any pledge of such Indebtedness constituting a Permitted Lien) will be deemed, in each case, to be an incurrence of such Indebtedness (to the extent such Indebtedness is then outstanding) not permitted by this clause (7);

(8) the incurrence of Indebtedness of a Restricted Subsidiary to the Borrower or another Restricted Subsidiary (or to any Parent Company which is substantially contemporaneously transferred to the Borrower or any Restricted Subsidiary) to the extent permitted by Section 7.05; *provided* that any such Indebtedness for borrowed money incurred by a Guarantor and owing to a Restricted Subsidiary that is not a Guarantor is expressly subordinated in right of payment to the Guaranty of the Loans of such Guarantor to the extent permitted by applicable law and it does not result in adverse tax consequences; *provided further* that any subsequent issuance or transfer of any Capital Stock or any other event which results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any such subsequent transfer of any such Indebtedness (except to the Borrower or a Restricted Subsidiary or any pledge of such Indebtedness constituting a Permitted Lien) will be deemed, in each case, to be an incurrence of such Indebtedness (to the extent such Indebtedness is then outstanding) not permitted by this clause (8);

(9) the issuance of shares of Preferred Stock or Disqualified Stock of a Restricted Subsidiary issued to the Borrower or a Restricted Subsidiary; *provided* that any subsequent issuance or transfer of any Capital Stock or any other event that results in any such Restricted Subsidiary that holds such Preferred Stock or Disqualified Stock ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such shares of Preferred Stock or Disqualified Stock (except to the Borrower or another Restricted Subsidiary or any pledge of such Indebtedness constituting a Permitted Lien) will be deemed, in each case, to be an issuance of such shares of Preferred Stock or Disqualified Stock (to the extent such Preferred Stock is then outstanding) not permitted by this clause (9);

(10) the incurrence of Hedging Obligations (excluding Hedging Obligations entered into for speculative purposes);

(11) the incurrence of Obligations in respect of self-insurance and Obligations in respect of performance, bid, appeal and surety bonds and performance, banker's acceptance facilities and completion guarantees and similar obligations provided by the Borrower or any Restricted Subsidiary or Obligations in respect of letters of credit, bank guarantees or similar instruments related thereto, in each case in the ordinary course of business or consistent with industry practice, including those incurred to secure health, safety and environmental obligations;

(12) the incurrence of:

(a) Indebtedness or Disqualified Stock of the Borrower and Indebtedness, Disqualified Stock or Preferred Stock of the Borrower or any Restricted Subsidiary in an aggregate principal amount or liquidation preference up to 100.0% of the net cash proceeds received by the Borrower and its Restricted Subsidiaries since the Closing Date from the issue or sale of Equity Interests of the Borrower and the Guarantors or contributions to the capital of the Borrower and the Guarantors, including through consolidation, amalgamation or merger (in each case, other than proceeds of Disqualified Stock or sales of Equity Interests to the Borrower or any Subsidiary or any exercise of the cure right set forth in Section 8.04) as determined in accordance with clauses (3)(b) and (3)(c) of Section 7.05(a) to the extent such net cash proceeds or cash have not been applied pursuant to such clauses to make Restricted Payments pursuant to Section 7.05(a) or to make Permitted Investments (other than Permitted Investments specified in clause (1), (2) or (3) of the definition thereof); and

(b) Indebtedness or Disqualified Stock of the Borrower and Indebtedness, Disqualified Stock or Preferred Stock of the Borrower or any Restricted Subsidiary in an aggregate principal amount or liquidation preference that, when aggregated with the principal amount and liquidation preference of all other Indebtedness, Disqualified Stock and Preferred Stock then outstanding and incurred or issued, as applicable, pursuant to this clause (12)(b), together with any Refinancing Indebtedness in respect thereof (excluding any Incremental Amounts), does not exceed (i) the greater of (x) $100.0 million and (y) an amount equal to the Equivalent Percentage of the amount set forth in clause (x) multiplied by TTM Run-Rate Adjusted EBITDA of the Borrower for the most recently ended Test Period on the date of such incurrence (and any Refinancing Indebtedness thereof) *plus*, without duplication, (ii) in the event of any extension, replacement, refinancing, renewal or defeasance of any such Indebtedness or Disqualified Stock, an amount equal to the amount of any premium required to be paid under the terms of the instrument governing such Indebtedness or Disqualified Stock and any defeasance costs and any fees and expenses (including original issue discount, upfront fees or similar fees) incurred in connection with the issuance of such new Indebtedness or the extension, replacement, refunding, refinancing, renewal or defeasance of such Indebtedness or Disqualified Stock;

provided that any Indebtedness, Disqualified Stock or Preferred Stock incurred or issued pursuant to this clause (12) will cease to be deemed incurred, issued or outstanding for purposes of this clause (12) but will be deemed incurred or issued for the purposes of Section 7.02(a) from and after the first date on which the Borrower or such Restricted Subsidiary could have incurred or issued such Indebtedness, Disqualified Stock or Preferred Stock under Section 7.02(a) without reliance on this clause (12);

(13) the incurrence by the Borrower of Indebtedness or Disqualified Stock or the incurrence by a Restricted Subsidiary of Indebtedness, Disqualified Stock or Preferred Stock that serves to Refinance any Indebtedness (including any Designated Revolving Commitments) permitted under Section 7.02(a) and clauses (2), (3), (4) and (12)(a) above, this clause (13) and clauses (14), (23) and (30), or any successive Refinancing Indebtedness with respect to any of the foregoing;

(14) the incurrence of:

(a) Indebtedness or Disqualified Stock of the Borrower or Indebtedness, Disqualified Stock or Preferred Stock of a Restricted Subsidiary, incurred or issued to finance an acquisition or investment (or other purchase of assets) or that is assumed by the Borrower or any Restricted Subsidiary in connection with such acquisition or investment, and

(b) Indebtedness, Disqualified Stock or Preferred Stock of Persons that are acquired by the Borrower or any Restricted Subsidiary or merged into, amalgamated or consolidated with the Borrower or a Restricted Subsidiary in accordance with the terms of this Agreement;

provided that, in the case of the preceding clauses (a) and (b) either:

(i) after giving *pro forma* effect to such acquisition, amalgamation, consolidation or merger, the Borrower would be permitted to incur at least $1.00 of additional Indebtedness pursuant to either Fixed Charge Coverage Ratio test set forth in clause (A) of Section 7.02(a); or

(ii) the aggregate principal amount of such Indebtedness, Disqualified Stock or Preferred Stock does not exceed the greater of (A) $100.0 million and (B) an amount equal to the Equivalent Percentage of the amount set forth in clause (A) multiplied by TTM Run-Rate Adjusted EBITDA as of the applicable date of such incurrence, at any one time outstanding, together with all other outstanding Indebtedness, Disqualified Stock or Preferred Stock issued under this clause (ii) and any outstanding Indebtedness under clause (13) incurred to Refinance Indebtedness initially incurred in reliance on this clause (ii) (it being understood that any Indebtedness, Disqualified Stock or Preferred Stock incurred pursuant to this clause (ii) will cease to be deemed incurred or outstanding for purposes of this clause (ii) but will be deemed incurred pursuant to Section 7.02(a), under clause (2) of the definition of Permitted Incremental Amount or under clause (i) above from and after the first date on which the Borrower or such Restricted Subsidiary could have incurred such Indebtedness, Disqualified Stock or Preferred Stock under such provision;

(15) the incurrence of Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business or consistent with industry practice;

(16) the incurrence of Indebtedness of the Borrower or any Restricted Subsidiary supported by letters of credit or bank guarantees issued in connection herewith or any Credit Agreement Refinancing Indebtedness, in each case, in a principal amount not in excess of the stated amount of such letters of credit or bank guarantees;

(17) (a) the incurrence of any guarantee by the Borrower or a Restricted Subsidiary of Indebtedness or other obligations of the Borrower or any Restricted Subsidiary so long as the incurrence of such Indebtedness or other obligations incurred by the Borrower or such Restricted Subsidiary is permitted by this Agreement, or (b) any co-issuance by the Borrower or any Restricted Subsidiary of any Indebtedness or other obligations of the Borrower or any Restricted Subsidiary so long as the incurrence of such Indebtedness or other obligations by the Borrower or such Restricted Subsidiary was permitted hereunder;

(18) the incurrence of Indebtedness issued by the Borrower or any Restricted Subsidiary to future, present or former employees, directors, officers, members of management and consultants thereof,

their respective Controlled Investment Affiliates or Immediate Family Members and permitted transferees thereof, in each case to finance the purchase or redemption of Equity Interests of the Borrower or any Parent Company to the extent described in Section 7.05(b)(4);

(19) customer deposits and advance payments received in the ordinary course of business or consistent with industry practice from customers for goods and services purchased in the ordinary course of business or consistent with industry practice;

(20) the incurrence of (a) Indebtedness owed to banks and other financial institutions incurred in the ordinary course of business or consistent with industry practice in connection with ordinary banking arrangements to manage cash balances of the Borrower and its Restricted Subsidiaries and (b) Indebtedness in respect of Cash Management Services, including Cash Management Obligations;

(21) Indebtedness incurred by a Restricted Subsidiary in connection with bankers' acceptances, discounted bills of exchange or the discounting or factoring of receivables for credit management purposes, in each case incurred or undertaken in the ordinary course of business or consistent with industry practice on arm's-length commercial terms;

(22) the incurrence of Indebtedness of the Borrower or any Restricted Subsidiary consisting of (a) the financing of insurance premiums or (b) take-or-pay obligations contained in supply arrangements in each case, incurred in the ordinary course of business or consistent with industry practice;

(23) the incurrence of Indebtedness or Disqualified Stock by Restricted Subsidiaries of the Borrower that are not Guarantors in an amount not to exceed and together with any other Indebtedness incurred and outstanding under this clause (23) the greater of (a) $50.0 million and (b) an amount equal to the Equivalent Percentage of the amount set forth in clause (a) multiplied by TTM Run-Rate Adjusted EBITDA of the Borrower for the most recently ended Test Period on the date of such incurrence; it being understood that any Indebtedness or Disqualified Stock deemed incurred or issued pursuant to this clause (23) will cease to be deemed incurred or issued or outstanding for the purpose of this clause (23) but will be deemed incurred or issued for the purposes of Section 7.02(a) or under clause (2) of the definition of Permitted Incremental Amount from and after the first date on which the Borrower or such Restricted Subsidiaries could have incurred such Indebtedness under Section 7.02(a) or under clause (2) of the definition of Permitted Incremental Amount without reliance on this clause (23);

(24) the incurrence of Indebtedness by the Borrower or any Restricted Subsidiary undertaken in connection with cash management (including netting services, automatic clearinghouse arrangements, overdraft protections, employee credit card programs and related or similar services or activities) with respect to the Borrower, any Subsidiaries or any joint venture in the ordinary course of business or consistent with industry practice, including with respect to financial accommodations of the type described in the definition of Cash Management Services;

(25) [reserved];

(26) guarantees incurred in the ordinary course of business or consistent with industry practice in respect of obligations to suppliers, customers, franchisees, lessors, licensees, sub-licensees and distribution partners;

(27) the incurrence of Indebtedness attributable to (but not incurred to finance) the exercise of appraisal rights or the settlement of any claims or actions (whether actual, contingent or potential) with respect to the Transactions or any other acquisition (by merger, consolidation or amalgamation or otherwise) in accordance with the terms hereof;

(28) the incurrence of Indebtedness representing deferred compensation to employees of any Parent Company, the Borrower or any Restricted Subsidiary, including Indebtedness consisting of obligations under deferred compensation or any other similar arrangements incurred in connection with the Transactions, any investment or any acquisition (by merger, consolidation or amalgamation or otherwise) permitted under this Agreement;

(29) the incurrence of Indebtedness arising out of any Sale-Leaseback Transaction incurred in the ordinary course of business or consistent with industry practice;

(30) (a) Credit Agreement Refinancing Indebtedness and (b) Permitted Incremental Equivalent Debt;

(31) all premiums (if any), interest (including post-petition interest), fees, expenses, charges and additional or contingent interest on obligations described in clauses (1) through (30) above.

(c) For purposes of determining compliance with this Section 7.02:

(1) in the event that an item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) at any time, whether at the time of incurrence or upon the application of all or a portion of the proceeds thereof or subsequently, meets the criteria of more than one of the categories of permitted Indebtedness, Disqualified Stock or Preferred Stock described in clauses (1) through (31) above or is entitled to be incurred pursuant to Section 7.02(a), the Borrower, in its sole discretion, may divide and classify and may subsequently re-divide and reclassify, such item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) and will only be required to include the amount and type of such Indebtedness, Disqualified Stock or Preferred Stock (or a portion thereof) in such of the above clauses or under Section 7.02(a) as determined by the Borrower at such time; *provided* that all Indebtedness (x) represented by the Senior Notes and related Guarantees on the Closing Date and (y) incurred hereunder on the Closing Date will, at all times, be treated as incurred on the Closing Date under Section 7.02(b)(1) and (2), respectively, and may not be reclassified;

(2) the Borrower is entitled to divide and classify an item of Indebtedness, Disqualified Stock or Preferred Stock in more than one of the types of Indebtedness, Disqualified Stock or Preferred Stock described in Section 7.02(a) and (b), subject to the proviso to the preceding clause (1) of this Section 7.02(c);

(3) the principal amount of Indebtedness outstanding under any clause of this Section 7.02 will be determined after giving effect to the application of proceeds of any such Indebtedness to refinance any such other Indebtedness;

(4) in the event an item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) is incurred or issued pursuant to Section 7.02(b) on the same date that an item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) is incurred or issued under Section 7.02(a), then the Fixed Charge Coverage Ratio, or applicable leverage ratio, will be calculated with respect to such incurrence under Section 7.02(a) without regard to any incurrence under Section 7.02(b); *provided* that unless the Borrower elects otherwise, the incurrence of Indebtedness, Disqualified Stock or Preferred Stock will be deemed incurred or issued first under Section 7.02(a) to the extent permitted with the balance incurred under Section 7.02(b); and

(5) guarantees of, or obligations in respect of letters of credit relating to, Indebtedness that are otherwise included in the determination of a particular amount of Indebtedness will not be included in the determination of such amount of Indebtedness; *provided* that the incurrence of the Indebtedness represented by such guarantee or letter of credit, as the case may be, was incurred in compliance with this Section 7.02.

The accrual of interest or dividends, the accretion of accreted value, the accretion or amortization of original issue discount and the payment of interest or dividends in the form of additional Indebtedness, Disqualified Stock or Preferred Stock and increases in the amount of Indebtedness outstanding solely as a result of fluctuations in the exchange rate of currencies, in each case, will not be deemed to be an incurrence of Indebtedness,

Disqualified Stock or Preferred Stock for purposes of this Section 7.02. Any Indebtedness incurred to refinance Indebtedness, Disqualified Stock or Preferred Stock incurred pursuant to clauses (2), (3), (4), (12), (13), (14) and (23) of Section 7.02(b) will be permitted to include additional Indebtedness, Disqualified Stock or Preferred Stock incurred to pay accrued but unpaid interest and dividends and premiums (and with respect to Indebtedness under Designated Revolving Commitments, including an amount equal to any unutilized Designated Revolving Commitments being refinanced to the extent permanently terminated at the time of incurrence of such Refinancing Indebtedness and reasonable tender premiums), defeasance costs and fees and expenses incurred in connection with such refinancing.

For purposes of determining compliance with any Dollar denominated restriction on the incurrence of Indebtedness or issuance of Disqualified Stock or Preferred Stock, the Dollar equivalent principal amount of Indebtedness or Disqualified Stock or Preferred Stock denominated in a foreign currency will be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness, Disqualified Stock or Preferred Stock was incurred, in the case of term debt, or first committed or first incurred (whichever yields the lower Dollar equivalent), in the case of revolving credit debt; *provided* that if such Indebtedness, Disqualified Stock or Preferred Stock is issued to Refinance other Indebtedness, Disqualified Stock or Preferred Stock denominated in a foreign currency, and such refinancing would cause the applicable Dollar denominated (or Equivalent Percentage, if greater) restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such Dollar denominated restriction will be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness, Disqualified Stock or Preferred Stock does not exceed (i) the principal amount of such Indebtedness, Disqualified Stock or Preferred Stock (as applicable) being refinanced *plus* (ii) the aggregate amount of accrued but unpaid interest, fees, underwriting discounts, defeasance costs, premiums (including tender premiums) and other costs and expenses (including OID, upfront fees or similar fees) incurred in connection with such refinancing.

The principal amount of any Indebtedness, Disqualified Stock or Preferred Stock incurred to refinance other Indebtedness, Disqualified Stock or Preferred Stock, if incurred in a different currency from the Indebtedness, Disqualified Stock or Preferred Stock, as applicable, being refinanced, will be calculated based on the currency exchange rate applicable to the currencies in which such respective Indebtedness or Disqualified Stock or Preferred Stock is denominated that is in effect on the date of such refinancing. The principal amount of any non-interest bearing Indebtedness or other discount security constituting Indebtedness at any date will be the principal amount thereof that would be shown on a balance sheet of the Borrower dated such date prepared in accordance with GAAP.

For purposes of determining compliance with this Section 7.02, if any Indebtedness is refinanced in reliance on a Basket measured by reference to a percentage of Run-Rate Adjusted EBITDA, and such refinancing would cause the percentage ofRun-Rate Adjusted EBITDA to be exceeded if calculated based on the Run-Rate Adjusted EBITDA on the date of such refinancing, such percentage ofRun-Rate Adjusted EBITDA will not be deemed to be exceeded to the extent the principal amount of such obligations secured by such newly incurred Indebtedness does not exceed the sum of (i) the principal amount of such Indebtedness being refinanced, *plus* (ii) the related costs incurred or payable in connection with such refinancing.

SECTION 7.03 Fundamental Changes. The Borrower shall not, nor shall the Borrower permit any Restricted Subsidiary to, consolidate, amalgamate or merge with or into or wind up into another Person, or liquidate or dissolve or dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to or in favor of any Person (other than as part of the Transactions), except that:

(1) Subject to clause (g) of Section 4.1 of the Security Agreement, Holdings or any Restricted Subsidiary may merge or consolidate with the Borrower (including a merger, the purpose of which is to reorganize the Borrower into a new jurisdiction); *provided* that

(a) the Borrower shall be the continuing or surviving Person,

(b) such merger or consolidation does not result in the Borrower ceasing to be organized under the Laws of the United States, any state thereof or the District of Columbia and

(c) in the case of a merger or consolidation of Holdings with and into the Borrower,

(i) Holdings shall not be an obligor in respect of any Indebtedness that is not permitted to be Indebtedness of the Borrower under this Agreement,

(ii) Holdings shall have no direct Subsidiaries at the time of such merger or consolidation other than the Borrower,

(iii) no Default or Event of Default exists at such time or after giving effect to such transaction and

(iv) after giving effect to such transaction, the direct parent of the Borrower will (A) expressly assume all the obligations of Holdings under this Agreement and the other Loan Documents to which Holdings is a party pursuant to a supplement hereto or thereto in form reasonably satisfactory to the Administrative Agent and the Borrower and (B) pledge 100% of the Equity Interest of the Borrower to the Administrative Agent as Collateral to secure the Obligations in form reasonably satisfactory to the Administrative Agent and the Borrower;

(2) (a) any Restricted Subsidiary that is not a Loan Party may merge or consolidate with or into any other Restricted Subsidiary that is not a Loan Party,

(b) any Restricted Subsidiary may merge or consolidate with or into any other Restricted Subsidiary that is a Loan Party; provided that a Loan Party shall be the continuing or surviving Person;

(c) any merger the sole purpose of which is to reincorporate or reorganize a Loan Party in another jurisdiction in the United States will be permitted and

(d) any Restricted Subsidiary may liquidate or dissolve or change its legal form if the Borrower determines in good faith that such action is in the best interests of the Borrower and the Restricted Subsidiaries and is not materially disadvantageous to the Lenders;

provided that in the case of clauses (b) through (d), (x) no Event of Default shall result therefrom and (y) the Person who receives the assets of such dissolving or liquidated Restricted Subsidiary that is a Guarantor shall be a Loan Party or such disposition shall otherwise be permitted under Section 7.05 or the definition of "Permitted Investments";

(3) any Restricted Subsidiary may dispose of all or substantially all of its assets (upon voluntary liquidation or otherwise) to the Borrower or another Restricted Subsidiary; *provided* that if the transferor in such a transaction is a Loan Party, then (x) the transferee must be a Loan Party or (y) to the extent constituting an Investment, such Investment must be a Permitted Investment in a Restricted Subsidiary which is not a Loan Party in connection with any Investment permitted hereunder;

(4) so long as no Default has occurred and is continuing or would result therefrom (subject to Section 1.07(8)), the Borrower may merge or consolidate with (or dispose of all or substantially all of its assets to) any other Person; *provided* that (a) the Borrower shall be the continuing or surviving corporation or (b) if the Person formed by or surviving any such merger or consolidation is not the Borrower (or, in connection with a disposition of all or substantially all of the Borrower's assets, is the transferee of such assets) (any such Person, a "**Successor Borrower**"):

(i) the Successor Borrower will:

(A) be an entity organized or existing under the laws of the United States, any state thereof or the District of Columbia,

(B) expressly assume all the obligations of the Borrower under this Agreement and the other Loan Documents to which the Borrower is a party pursuant to a supplement hereto or thereto in form reasonably satisfactory to the Administrative Agent and the Borrower and

(C) deliver to the Administrative Agent (I) an Officer's Certificate stating that such merger or consolidation or other transaction and such supplement to this Agreement or any Loan Document (as applicable) comply with this Agreement and (II) an Opinion of Counsel including customary organization, due execution, no conflicts and enforceability opinions to the extent reasonably requested by the Administrative Agent;

(ii) substantially contemporaneously with such transaction (or at a later date as agreed by the Administrative Agent),

(A) each Guarantor, unless it is the other party to such merger or consolidation, will by a supplement to the Guaranty (or in another form reasonably satisfactory to the Administrative Agent and the Borrower) reaffirm its Guaranty of the Obligations (including the Successor Borrower's obligations under this Agreement),

(B) each Loan Party, unless it is the other party to such merger or consolidation, will, by a supplement to the Security Agreement (or in another form reasonably satisfactory to the Administrative Agent), confirm its grant or pledge thereunder,

(C) if reasonably requested by the Administrative Agent, each mortgagor of a Mortgaged Property, unless it is the other party to such merger or consolidation, will, by an amendment to or restatement of the applicable Mortgage (or other instrument reasonably satisfactory to the Collateral Agent and the Borrower), confirm that its obligations thereunder shall apply to the Successor Borrower's obligations under this Agreement; and

(iii) after giving *pro forma* effect to such incurrence, the Borrower would be permitted to incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in clause (A) of Section 7.02(a); or

(iv) the Administrative Agent shall have received at least three (3) Business Days prior to the such transaction all documentation and other information in respect of the Successor Borrower required under applicable "know your customer" and anti-money laundering rules and regulations, including the USA PATRIOT Act;

provided further that if the foregoing are satisfied, the Successor Borrower will succeed to, and be substituted for, the Borrower under this Agreement;

(5) so long as no Default exists or would result therefrom (subject to Section 1.07(8)), Holdings may merge or consolidate with (or dispose of all or substantially all of its assets to) any other Person; *provided* that (a) Holdings will be the continuing or surviving Person or (b) if:

(i) the Person formed by or surviving any such merger or consolidation is not Holdings,

(ii) Holdings is not the Person into which the applicable Person has been liquidated or

(iii) in connection with a disposition of all or substantially all of Holdings' assets, the Person that is the transferee of such assets is not Holdings (any such Person described in the preceding clauses (i) through (iii), a "**Successor Holdings**"), then the Successor Holdings will:

(A) be an entity organized or existing under the laws of the United States, any state thereof or the District of Columbia,

(B) expressly assume all the obligations of Holdings under this Agreement and the other Loan Documents to which Holdings is a party pursuant to a supplement hereto or thereto in form reasonably satisfactory to the Administrative Agent and the Borrower,

(C) (I) expressly assume all the obligations of Holdings under this Agreement and the other Loan Documents to which Holdings is a party pursuant to a supplement hereto or thereto in form reasonably satisfactory to the Administrative Agent and the Borrower and (II) pledge 100% of the Equity Interests of the Borrower to the Administrative Agent as Collateral to secure the Obligations in accordance with the Security Agreement or otherwise in form and substance reasonably satisfactory to the Administrative Agent and the Borrower,

(D) if requested by the Administrative Agent, deliver, or cause the Borrower to deliver, to the Administrative Agent (I) an Officer's Certificate stating that such merger or consolidation or other transaction and such supplement to this Agreement or any Collateral Document (as applicable) comply with this Agreement and (II) an Opinion of Counsel including customary organization, due execution, no conflicts and enforceability opinions to the extent reasonably requested by the Administrative Agent; and

(iv) the Administrative Agent shall have received at least three (3) Business Days prior to the such transaction all documentation and other information in respect of the Successor Holdings required under applicable "know your customer" and anti-money laundering rules and regulations, including the USA PATRIOT Act;

provided further that if the foregoing are satisfied, the Successor Holdings will succeed to, and be substituted for, Holdings under this Agreement;

(6) any Restricted Subsidiary may merge or consolidate with (or dispose of all or substantially all of its assets to) any other Person in order to effect a Permitted Investment or other investment permitted pursuant to Section 7.05; *provided* that solely in the case of a merger or consolidation involving a Loan Party and subject to Section 1.07(8), no Event of Default exists or would result therefrom; provided further that the continuing or surviving Person will be (a) the Borrower or (b) a Loan Party, in each case, which together with each of its Restricted Subsidiaries, will have complied with the applicable requirements of Section 6.11;

(7) a merger, dissolution, liquidation, consolidation or disposition, the purpose of which is to effect a disposition permitted pursuant to Section 7.04 (other than under clause (2)(c) of the definition of "Asset Sale");

(8) subject to clause (g) of Section 4.1 of the Security Agreement, the Borrower may (a) convert into a corporation, partnership, limited partnership, limited liability company or trust organized or existing under the laws of the jurisdiction of organization of the Borrower or the laws of a jurisdiction in the United States and (b) change its name; and

(9) the Loan Parties and the Restricted Subsidiaries may consummate the Transactions.

Upon consummation of the Merger, Life Time will succeed to, and be substituted for, and may exercise every right and power of, Merger Sub hereunder. Notwithstanding anything in this Agreement to the contrary, the merger of Merger Sub with and into Life Time on the Closing Date as described in the Transaction Agreement will be permitted hereunder, and no supplement or other deliverable will be required in connection therewith.

SECTION 7.04 Asset Sales. The Borrower shall not, nor shall the Borrower permit any Restricted Subsidiary to, consummate any Asset Sale unless:

(1) the Borrower or such Restricted Subsidiary, as the case may be, receives consideration (including by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise in connection with such Asset Sale) at least equal to the fair market value (measured at the time of contractually agreeing to such Asset Sale) of the assets sold or otherwise disposed of and

(2) except in the case of a Permitted Asset Swap, at least 75.0% of the consideration for such Asset Sale, together with all other Asset Sales since the Closing Date (on a cumulative basis), received by the Borrower or a Restricted Subsidiary, as the case may be, is in the form of cash or Cash Equivalents; *provided* that each of the following will be deemed to be cash or Cash Equivalents for purposes of this clause (2):

(a) any liabilities (as shown on the Borrower's or any Restricted Subsidiary's most recent balance sheet or in the footnotes thereto or if incurred or accrued subsequent to the date of such balance sheet, such liabilities that would have been reflected on the Borrower's or a Restricted Subsidiary's consolidated balance sheet or in the footnotes thereto if such incurrence or accrual had taken place on or prior to the date of such balance sheet, as determined in good faith by the Borrower) of the Borrower or any Restricted Subsidiary, other than liabilities that are by their terms subordinated in right of payment to the Obligations, that are (i) assumed by the transferee of any such assets (or a third party in connection with such transfer) or (ii) otherwise cancelled or terminated in connection with the transaction with such transferee (other than intercompany debt owed to the Borrower or a Restricted Subsidiary);

(b) any securities, notes or other obligations or assets received by the Borrower or any Restricted Subsidiary from such transferee or in connection with such Asset Sale (including earnouts and similar obligations) that are converted by the Borrower or a Restricted Subsidiary into cash or Cash Equivalents, or by their terms are required to be satisfied for cash or Cash Equivalents (to the extent of the cash or Cash Equivalents received) within 180 days following the closing of such Asset Sale;

(c) any Designated Non-Cash Consideration received by the Borrower or any Restricted Subsidiary in such Asset Sale having an aggregate fair market value, taken together with all other Designated Non-Cash Consideration received pursuant to this clause (c) that is at that time outstanding, not to exceed the greater of (i) $50.0 million and (ii) an amount equal to the Equivalent Percentage of the amount set forth in clause (i) multiplied by TTM Run-Rate Adjusted EBITDA of the Borrower for the most recently ended Test Period on the date of the receipt of such Designated Non-Cash Consideration (or, at the Borrower's option, at the time of contractually agreeing to such Asset Sale), with the fair market value of each item of Designated Non-Cash Consideration being measured, at the Borrower's option, either at the time of contractually agreeing to such Asset Sale or at the time received and, in either case, without giving effect to any subsequent change(s) in value;

(d) Indebtedness of any Restricted Subsidiary that ceases to be a Restricted Subsidiary as a result of such Asset Sale (other than intercompany debt owed to the Borrower or a Restricted Subsidiary), to the extent that the Borrower and each other Restricted Subsidiary are released from any guarantee of payment of the principal amount of such Indebtedness in connection with such Asset Sale; or

(e) any Investment, Capital Stock, assets, property or capital or other expenditure of the kind referred to in Section 2.05(2)(b)(iv).

To the extent any Collateral is disposed of as expressly permitted by this Section 7.04 to any Person other than a Loan Party, such Collateral shall automatically be sold free and clear of the Liens created by the Loan Documents, and, if requested by the Administrative Agent, upon the certification by the Borrower that such disposition is permitted by this Agreement, the Administrative Agent and the Collateral Agent shall be authorized to take any actions deemed appropriate in order to effect the foregoing.

In addition, none of the Borrower or any Restricted Subsidiary shall enter into any Sale-Leaseback Transaction unless (1) at the time of the consummation thereof no Event of Default has occurred and is continuing, and (2) such Sale-Leaseback Transaction is conducted as an arm's-length basis and is for fair market value of the applicable property as determined by a Responsible Officer of the Borrower in good faith.

SECTION 7.05 Restricted Payments.

(a) The Borrower shall not, nor shall the Borrower permit any Restricted Subsidiary to, directly or indirectly:

(A) declare or pay any dividend or make any payment or distribution on account of the Borrower's or any Restricted Subsidiary's Equity Interests (in each case, solely in such Person's capacity as holder of such Equity Interests), including any dividend or distribution payable in connection with any merger, amalgamation or consolidation, other than:

(i) dividends, payments or distributions payable solely in Equity Interests (other than Disqualified Stock) of the Borrower or a Parent Company or in options, warrants or other rights to purchase such Equity Interests; or

(ii) dividends, payments or distributions by a Restricted Subsidiary so long as, in the case of any dividend, payment or distribution payable on or in respect of any class or series of securities issued by a Restricted Subsidiary other than a wholly owned Subsidiary, the Borrower or a Restricted Subsidiary receives at least its pro rata share of such dividend, payment or distribution in accordance with its Equity Interests in such class or series of securities or such other amount to which it is entitled pursuant to the terms of such Equity Interest;

(B) purchase, redeem, defease or otherwise acquire or retire for value any Equity Interests of the Borrower or any Parent Company, including in connection with any merger, amalgamation or consolidation, in each case held by Persons other than the Borrower or a Restricted Subsidiary;

(C) make any principal payment on, or redeem, repurchase, defease or otherwise acquire or retire for value, in each case, prior to any scheduled repayment, sinking fund payment or final maturity, any Subordinated Indebtedness, other than:

(i) Indebtedness permitted under clauses (7), (8) and (9) of Section 7.02(b); or

(ii) the payment, redemption, repurchase, defeasance, acquisition or retirement for value of Subordinated Indebtedness purchased in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of such payment, redemption, repurchase, defeasance, acquisition or retirement; or

(D) make any Restricted Investment;

(all such payments and other actions set forth in clauses (A) through (D) above being collectively referred to as "**Restricted Payments**"), unless, at the time of and immediately after giving effect to such Restricted Payment:

(1) in the case of a Restricted Payment other than a Restricted Investment, no Event of Default will have occurred and be continuing or would occur as a consequence thereof and, in the case of a Restricted Investment utilizing clause (3)(g) below, no Event of Default pursuant to Section 8.01(1) or 8.01(6) will have occurred and be continuing or would occur as a consequence thereof;

(2) except in the case of a Restricted Investment, immediately after giving effect to any such Restricted Payment made pursuant to clause (3)(a) below on a *pro forma* basis, the Borrower could incur $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in clause (A) of Section 7.02(a);

(3) such Restricted Payment, together with the aggregate amount of all other Restricted Payments (including the fair market value of any non-cash amount) made by the Borrower and its Restricted Subsidiaries after the Closing Date (excluding Restricted Payments permitted by 7.05(b) other than clause (1) thereof), is less than the sum of (without duplication):

(a) 50.0% of the Consolidated Net Income of the Borrower for the period (taken as one accounting period) commencing on the Closing Date to the end of the most recently ended Test Period preceding such Restricted Payment or, in the case such Consolidated Net Income for such period is a deficit, *minus* 100.0% of such deficit; *plus*

(b) 100.0% of the aggregate net cash proceeds and the fair market value of marketable securities or other property received by the Borrower and its Restricted Subsidiaries since the Closing Date (other than net cash proceeds to the extent such net cash proceeds have been used to incur Indebtedness or issue Disqualified Stock or Preferred Stock pursuant to Section 7.02(b)(12)(a)) from the issue or sale of:

(i) (A) Equity Interests of the Borrower (other than any Permitted Warrant Transaction), including Treasury Capital Stock (as defined below), but excluding cash proceeds and the fair market value of marketable securities or other property received from the sale of:

(I) Equity Interests to any future, present or former employees, directors, officers, members of management or consultants (or their respective Controlled Investment Affiliates, Immediate Family Members or any permitted transferees thereof) of the Borrower, its Subsidiaries or any Parent Company after the Closing Date to the extent such amounts have been applied to Restricted Payments made in accordance with Section 7.05(b)(4); and

(II) Designated Preferred Stock; and

(B) Equity Interests of Parent Companies (other than any Permitted Warrant Transaction), to the extent the proceeds of any such issuance or consideration for any such sale are contributed to the Borrower (excluding contributions of the proceeds from the sale of Designated Preferred Stock of such companies or contributions to the extent such amounts have been applied to Restricted Payments made in accordance with Section 7.05(b)(4); or

(ii) Indebtedness of the Borrower or any Restricted Subsidiary, that has been converted into or exchanged for Equity Interests of the Borrower or any Parent Company;

provided that this clause (b) will not include the proceeds from (v) any exercise of the cure right set forth in Section 8.04, (w) Refunding Capital Stock (as defined below) applied in accordance with Section 7.05(b)(2) below, (x) Equity Interests or convertible debt securities of the Borrower sold to a Restricted Subsidiary, (y) Disqualified Stock or debt securities that have been converted into Disqualified Stock or (z) Excluded Contributions; *plus*

(c) 100.0% of the aggregate amount of cash, Cash Equivalents and the fair market value of marketable securities or other property contributed to the capital of the Borrower following the Closing Date (including the fair market value of any Indebtedness contributed to the

Borrower or its Subsidiaries for cancellation) or that becomes part of the capital of the Borrower through consolidation, amalgamation or merger following the Closing Date, in each case not involving cash consideration payable by the Borrower (other than (w) net cash proceeds of any exercise of the cure right set forth in Section 8.04, (x) net cash proceeds to the extent such net cash proceeds have been used to incur Indebtedness or issue Disqualified Stock or Preferred Stock pursuant to Section 7.02(b)(12)(a), (y) cash, Cash Equivalents and marketable securities or other property that are contributed by a Restricted Subsidiary or (z) Excluded Contributions); *plus*

(d) 100.0% of the aggregate amount received in cash and the fair market value of marketable securities or other property received by the Borrower or a Restricted Subsidiary by means of:

(i) the sale or other disposition (other than to the Borrower or a Restricted Subsidiary) of, or other returns on investments from, Restricted Investments made by the Borrower or its Restricted Subsidiaries (including cash distributions and cash interest received in respect of Restricted Investments) and repurchases and redemptions of such Restricted Investments from the Borrower or its Restricted Subsidiaries (other than by the Borrower or a Restricted Subsidiary) and repayments of loans or advances, and releases of guarantees, which constitute Restricted Investments made by the Borrower or its Restricted Subsidiaries, in each case after the Closing Date (excluding any Excluded Contributions made pursuant to clause (2) of the definition thereof); or

(ii) the sale (other than to the Borrower or a Restricted Subsidiary) of Equity Interests of an Unrestricted Subsidiary or a distribution from an Unrestricted Subsidiary (other than, in each case, to the extent the Investment in such Unrestricted Subsidiary constituted a Permitted Investment, but including such cash or fair market value to the extent exceeding the amount of such Permitted Investment) or a dividend from an Unrestricted Subsidiary after the Closing Date (excluding any Excluded Contributions made pursuant to clause (2) of the definition thereof); *plus*

(e) in the case of the redesignation of an Unrestricted Subsidiary as a Restricted Subsidiary or the merger, amalgamation or consolidation of an Unrestricted Subsidiary into the Borrower or a Restricted Subsidiary or the transfer of all or substantially all of the assets of an Unrestricted Subsidiary to the Borrower or a Restricted Subsidiary after the Closing Date, the fair market value of the Investment in such Unrestricted Subsidiary (or the assets transferred) at the time of the redesignation of such Unrestricted Subsidiary as a Restricted Subsidiary or at the time of such merger, amalgamation, consolidation or transfer of assets, other than to the extent the Investment in such Unrestricted Subsidiary constituted a Permitted Investment, but, to the extent exceeding the amount of such Permitted Investment, including such excess amounts of cash or fair market value; *plus*

(f) 100% of the aggregate amount of any Excluded Proceeds (except to the extent utilized to repurchase, redeem, defease, acquire, or retire for value any Subordinated Indebtedness pursuant to clause (b)(13) below); *plus*

(g) $100.0 million.

(b) The provisions of Section 7.05(a) will not prohibit:

(1) the payment of any dividend or other distribution or the consummation of any irrevocable redemption within 60 days after the date of declaration of the dividend or other distribution or giving of the redemption notice, as the case may be, if at the date of declaration or notice, the dividend or other distribution or redemption payment would have complied with the provisions of this Section 7.05;

(2) (a) the redemption, repurchase, defeasance, discharge, retirement or other acquisition of (i) any Equity Interests of the Borrower, any Restricted Subsidiary or any Parent Company, including any accrued and unpaid dividends thereon ("**Treasury Capital Stock**") or (ii) Subordinated Indebtedness, in each case, made (x) in exchange for, or out of the proceeds of, a sale or issuance (other than to a Restricted Subsidiary) of Equity Interests of the Borrower or any Parent Company (to the extent such Equity Interests or proceeds therefrom are contributed to the Borrower) (in each case, other than Disqualified Stock) and (y) within 120 days of such sale or issuance ("**Refunding Capital Stock**"),

(b) the declaration and payment of dividends on Treasury Capital Stock out of the proceeds of a sale or issuance (other than to a Restricted Subsidiary of the Borrower or to an employee stock ownership plan or any trust established by the Borrower or any Restricted Subsidiary) of Refunding Capital Stock made within 120 days of such sale or issuance, and

(c) if, immediately prior to the retirement of Treasury Capital Stock, the declaration and payment of dividends thereon by the Borrower were permitted under clauses (6)(a) or (b) of this Section 7.05(b), the declaration and payment of dividends on the Refunding Capital Stock (other than Refunding Capital Stock the proceeds of which were used to redeem, repurchase, retire or otherwise acquire any Equity Interests of any Parent Company) in an aggregate amount *per annum* no greater than the aggregate amount of dividends per annum that were declarable and payable on such Treasury Capital Stock immediately prior to such retirement;

(3) the principal payment on, defeasance, redemption, repurchase, exchange or other acquisition or retirement of:

(a) Subordinated Indebtedness of the Borrower or a Guarantor made (i) by exchange for, or out of the proceeds of the sale, issuance or incurrence of, new Subordinated Indebtedness of the Borrower or a Guarantor or Disqualified Stock of the Borrower or a Guarantor and (ii) within 120 days of such sale, issuance or incurrence,

(b) Disqualified Stock of the Borrower or a Guarantor made by exchange for, or out of the proceeds of the sale, issuance or incurrence of Disqualified Stock or Subordinated Indebtedness of the Borrower or a Guarantor, made within 120 days of such sale, issuance or incurrence,

(c) Disqualified Stock of a Restricted Subsidiary that is not a Guarantor made by exchange for, or out of the proceeds of the sale or issuance of, Disqualified Stock of a Restricted Subsidiary that is not a Guarantor, made within 120 days of such sale or issuance that, in each case, is Refinancing Indebtedness incurred or issued, as applicable, in compliance with Section 7.02 and

(d) any Subordinated Indebtedness or Disqualified Stock that constitutes Acquired Indebtedness;

(4) a Restricted Payment to pay for the repurchase, retirement or other acquisition or retirement for value of Equity Interests (other than Disqualified Stock) (including related stock appreciation rights or similar securities) of the Borrower or any Parent Company held by any future, present or former employee, director, officer, member of management or consultant (or their respective Controlled Investment Affiliates or Immediate Family Members or any permitted transferees thereof) of the Borrower, any of its Subsidiaries or any Parent Company pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or agreement, or any equity subscription or equity holder agreement (including, for the avoidance of doubt, any principal and interest payable on any notes issued by the Borrower or any Parent Company in connection with any such repurchase, retirement or other acquisition), including any Equity Interests rolled over by management of the Borrower, any of its Subsidiaries or any Parent Company in connection with the Transactions; *provided* that the aggregate amount of Restricted Payments made under this clause (4) does not exceed $10.0 million in any fiscal year (increasing to $20.0 million following an underwritten public Equity Offering by the Borrower or any Parent Company) with unused amounts in any calendar year being carried over to the next two succeeding

calendar years; *provided further* that each of the amounts in any calendar year under this clause (4) may be increased by an amount not to exceed:

(a) the cash proceeds from the sale of Equity Interests (other than Disqualified Stock) of the Borrower and, to the extent contributed to the Borrower, the cash proceeds from the sale of Equity Interests of any Parent Company, in each case to any future, present or former employees, directors, officers, members of management or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members or any permitted transferees thereof) of the Borrower, any of its Subsidiaries or any Parent Company that occurs after the Closing Date, to the extent the cash proceeds from the sale of such Equity Interests have not otherwise been applied to the payment of Restricted Payments by virtue of clause (3) of Section 7.05(a); *plus*

(b) the amount of any cash bonuses otherwise payable to members of management, employees, directors or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members or any permitted transferees thereof) of the Borrower, any of its Subsidiaries or any Parent Company that are foregone in exchange for the receipt of Equity Interests of the Borrower or any Parent Company pursuant to any compensation arrangement, including any deferred compensation plan; *plus*

(c) the cash proceeds of life insurance policies received by the Borrower or its Restricted Subsidiaries (or by any Parent Company to the extent contributed to the Borrower) after the Closing Date; *minus*

(d) the amount of any Restricted Payments previously made with the cash proceeds described in clauses (a), (b) and (c) of this clause (4);

provided that the Borrower may elect to apply all or any portion of the aggregate increase contemplated by clauses (a), (b) and (c) above in any calendar year; *provided further* that cancellation of Indebtedness owing to the Borrower or any Restricted Subsidiary from any future, present or former employees, directors, officers, members of management, or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members or any permitted transferees thereof) of the Borrower, any Parent Company or any Restricted Subsidiary in connection with a repurchase of Equity Interests of the Borrower or any Parent Company will not be deemed to constitute a Restricted Payment for purposes of this Section 7.05 or any other provision of this Agreement;

(5) the declaration and payment of dividends or distributions to holders of any class or series of Disqualified Stock of the Borrower or any Restricted Subsidiary or any class or series of Preferred Stock of any Restricted Subsidiary issued in accordance with Section 7.02 to the extent such dividends are included in the definition of Fixed Charges;

(6) (a) the declaration and payment of dividends or distributions to holders of any class or series of Designated Preferred Stock issued by the Borrower or any Restricted Subsidiary after the Closing Date;

(b) the declaration and payment of dividends or distributions to any Parent Company, the proceeds of which will be used to fund the payment of dividends or distributions to holders of any class or series of Designated Preferred Stock issued by such Parent Company after the Closing Date; *provided* that the amount of dividends and distributions paid pursuant to this clause (b) will not exceed the aggregate amount of cash actually contributed to the Borrower from the sale of such Designated Preferred Stock; or

(c) the declaration and payment of dividends on Refunding Capital Stock that is Preferred Stock in excess of the dividends declarable and payable thereon pursuant to clause (2) of this Section 7.05(b);

provided that in the case of each of clauses (a), (b) and (c) of this clause (6), that for the most recently ended Test Period preceding the date of issuance of such Designated Preferred Stock or the declaration of such dividends on Refunding Capital Stock that is Preferred Stock, after giving effect to such issuance or declaration on a *pro forma* basis, the Borrower would have had a Fixed Charge Coverage Ratio of at least 2.00 to 1.00;

(7) (a) payments made or expected to be made by the Borrower or any Restricted Subsidiary in respect of withholding or similar taxes payable by any future, present or former employee, director, officer, member of management or consultant (or their respective Controlled Investment Affiliates or Immediate Family Members or permitted transferees) of the Borrower, any Restricted Subsidiary or any Parent Company,

(b) any repurchases or withholdings of Equity Interests in connection with the exercise of stock options, warrants or similar rights if such Equity Interests represent a portion of the exercise of, or withholding obligations with respect to, such options, warrants or similar rights or required withholding or similar taxes and

(c) loans or advances to officers, directors, employees, managers, consultants and independent contractors of the Borrower, any Restricted Subsidiary or any Parent Company in connection with such Person's purchase of Equity Interests of the Borrower or any Parent Company; *provided* that no cash is actually advanced pursuant to this clause (c) other than to pay taxes due in connection with such purchase, unless immediately repaid;

(8) the declaration and payment of dividends on the Borrower's common equity (or the payment of dividends to any Parent Company to fund a payment of dividends on such company's common equity), following the first public offering of the Borrower's common equity or the common equity of any Parent Company after the Closing Date, in an amount not to exceed the sum of (a) 6.0% per annum of the net cash proceeds received by or contributed to the Borrower in or from any such public offering, other than public offerings with respect to the Borrower's common stock registered on Form S-4 or Form S-8 and other than any public sale constituting an Excluded Contribution and (b) an aggregate amount *per annum* not to exceed 5.0% of Market Capitalization;

(9) Restricted Payments in an amount that does not exceed the aggregate amount of Excluded Contributions;

(10) Restricted Payments in an aggregate amount taken together with all other Restricted Payments made pursuant to this clause (10) not to exceed the greater of (a) $75.0 million and (b) an amount equal to the Equivalent Percentage of the amount in clause (a) multiplied by TTM Run-Rate Adjusted EBITDA of the Borrower for the most recently ended Test Period on the date of such Restricted Payment; *provided* that if this clause (10) is utilized to make a Restricted Investment, the amount deemed to be utilized under this clause (10) will be the amount of such Restricted Investment at any time outstanding (with the fair market value of such Investment being measured at the time made and without giving effect to subsequent changes in value, but subject to adjustment as set forth in the definition of "Investment");

(11) distributions or payments of Securitization Fees;

(12) any Restricted Payment made in connection with the Transactions and the fees and expenses related thereto or owed to any Affiliate(s) including any payments to holders of Equity Interests of Life Time in connection with, or as a result of, their exercise of appraisal rights or the settlement of any claims or actions (whether actual, contingent or potential) related to the Transactions;

(13) the repurchase, redemption, defeasance, acquisition or retirement for value of any Subordinated Indebtedness from Excluded Proceeds (except to the extent utilized to make Restricted Payments pursuant to clause (f) of the proviso to paragraph (a) above);

(14) the declaration and payment of dividends or distributions by the Borrower or any Restricted Subsidiary to, or the making of loans or advances to, the Borrower or any Parent Company in amounts required for any Parent Company to pay in each case without duplication:

(a) franchise, excise and similar taxes and other fees, taxes and expenses required to maintain their corporate or other legal existence;

(b) for any taxable period for which the Borrower or any of its Restricted Subsidiaries are members of a consolidated, combined, unitary or similar income tax group for U.S. federal or applicable foreign, state or local income tax purposes of which a Parent Company is the common parent (a "**Tax Group**"), to pay the portion of any U.S. federal, foreign, state and local income taxes of such Tax Group for such taxable period that are attributable to the taxable income of the Borrower and its Restricted Subsidiaries and Unrestricted Subsidiaries; *provided* that for each taxable period, (A) the amount of such payments made in respect of such taxable period in the aggregate will not exceed the amount that the Borrower and its Subsidiaries, as applicable, would have been required to pay as stand-alone taxpayers or a stand-alone Tax Group and (B) the amount of such payments made in respect of an Unrestricted Subsidiary will be permitted only to the extent that cash distributions were made by such Unrestricted Subsidiary to the Borrower or any Restricted Subsidiary for such purpose;

(c) salary, bonus, severance and other benefits payable to, and indemnities provided on behalf of, employees, directors, officers, members of management and consultants of any Parent Company, and any payroll, social security or similar taxes thereof;

(d) general corporate or other operating, administrative, compliance and overhead costs and expenses (including expenses relating to auditing and other accounting matters) of any Parent Company;

(e) fees and expenses (including ongoing compliance costs and listing expenses) related to any equity or debt offering of a Parent Company (whether or not consummated);

(f) amounts that would be permitted to be paid directly by the Borrower or its Restricted Subsidiaries under Section 7.07(b) (other than clause 2(a) thereof);

(g) interest or principal on Indebtedness the proceeds of which have been contributed to the Borrower or any Restricted Subsidiary or that has been guaranteed by, or is otherwise considered Indebtedness of, the Borrower or any Restricted Subsidiary incurred in accordance with Section 7.02;

(h) to finance Investments or other acquisitions or investments otherwise permitted to be made pursuant to this Section 7.05 if made by the Borrower; *provided* that:

(i) such Restricted Payment must be made within 120 days of the closing of such Investment, acquisition or investment,

(ii) such Parent Company must, promptly following the closing thereof, cause (A) all property acquired (whether assets or Equity Interests) to be contributed to the capital of the Borrower or another Loan Party or (B) the merger, amalgamation, consolidation or sale of the Person formed or acquired into the Borrower or another Loan Party (to the extent not prohibited by Section 7.03) in order to consummate such Investment, acquisition or investment,

(iii) such Parent Company and its Affiliates (other than the Borrower or any Restricted Subsidiary) receives no consideration or other payment in connection with such transaction except to the extent the Borrower or a Restricted Subsidiary could have given such consideration or made such payment in compliance with this Agreement,

(iv) any property received by the Borrower may not increase amounts available for Restricted Payments pursuant to clause (3) of Section 7.05(a); and

(v) to the extent constituting an Investment, such Investment will be deemed to be made by the Borrower or such Restricted Subsidiary pursuant to another provision of this Section 7.05 (other than pursuant to clause (9) of this Section 7.05(b)) or pursuant to the definition of "Permitted Investments" (other than clause (9) thereof);

(15) the distribution, by dividend or otherwise, or other transfer or disposition of shares of Capital Stock of, Equity Interests in, or Indebtedness owed to the Borrower or a Restricted Subsidiary by, Unrestricted Subsidiaries (other than Unrestricted Subsidiaries, substantially all the assets of which are cash and Cash Equivalents);

(16) cash payments, or loans, advances, dividends or distributions to any Parent Company to make payments, in lieu of issuing fractional shares in connection with share dividends, share splits, reverse share splits, mergers, consolidations, amalgamations or other business combinations and in connection with the exercise of warrants, options or other securities convertible into or exchangeable for Equity Interests of the Borrower, any Restricted Subsidiary or any Parent Company;

(17) Restricted Payments; *provided* that after giving *pro forma* effect thereto and the application of the net proceeds therefrom, the First Lien Net Leverage Ratio for the Test Period immediately preceding such Restricted Payment would be no greater than 2.75 to 1.00;

(18) making payments for the benefit of the Borrower or any Restricted Subsidiary to the extent such payments could have been made by the Borrower or any Restricted Subsidiary because such payments (a) would not otherwise be Restricted Payments and (b) would be permitted by Section 7.07;

(19) payments and distributions to dissenting stockholders pursuant to applicable law, pursuant to or in connection with a consolidation, amalgamation, merger or transfer of all or substantially all of the assets of the Borrower and its Restricted Subsidiaries taken as a whole that complies with the terms of this Agreement or any other transaction that complies with the terms of this Agreement;

(20) the payment of dividends, other distributions and other amounts by the Borrower to, or the making of loans to, any Parent Company in the amount required for such parent to, if applicable, pay amounts equal to amounts required for any Parent Company, if applicable, to pay interest or principal (including AHYDO Payments) on Indebtedness, the proceeds of which have been permanently contributed to the Borrower or any Restricted Subsidiary and that has been guaranteed by, or is otherwise considered Indebtedness of, the Borrower or any Restricted Subsidiary incurred in accordance with this Agreement; *provided* that the aggregate amount of such dividends, distributions, loans and other amounts shall not exceed the amount of cash actually contributed to the Borrower for the incurrence of such Indebtedness;

(21) the making of cash payments in connection with any conversion of Convertible Indebtedness of the Borrower or any Restricted Subsidiary in an aggregate amount since the date of this Agreement not to exceed the sum of (a) the principal amount of such Convertible Indebtedness *plus* (b) any payments received by the Borrower or any Restricted Subsidiary pursuant to the exercise, settlement or termination of any related Permitted Bond Hedge Transaction;

(22) any payments in connection with (a) a Permitted Bond Hedge Transaction and (b) the settlement of any related Permitted Warrant Transaction (i) by delivery of shares of the Borrower's common stock upon settlement thereof or (ii) by (A) set-off against the related Permitted Bond Hedge Transaction or (B) payment of an early termination amount thereof in common stock upon any early termination thereof;

(23) any dividend or other Restricted Payment of or related to the Specified Businesses, including distributions or payments to any Parent Company to fund the payment of taxes by such Parent

Company and by the direct or indirect owners of such Parent Company (based on the assumption that all such owners are individuals resident in Los Angeles, California) resulting from the dividend or other Restricted Payment of the Specified Businesses to the direct and indirect owners of any Parent Company; and

(24) Restricted Payments in an amount not to exceed 40.0% of the Specified Sale-Leaseback Net Proceeds of any Specified Sale-Leaseback Transactions consummated after the Closing Date; *provided* that (a) the aggregate amount of such Restricted Payments may not exceed $100.0 million and (b) after giving *pro forma* effect thereto and the application of the net proceeds therefrom, the Total Net Leverage Ratio for the Test Period immediately preceding such Restricted Payment would be no greater than 5.10 to 1.00;

provided that at the time of, and after giving effect to, any Restricted Payment permitted under clauses (10), (15) and (17), no Default will have occurred and be continuing or would occur as a consequence thereof. For purposes of clauses (7), (14) and (23) above, taxes will include all interest and penalties with respect thereto and all additions thereto.

(c) For purposes of determining compliance with this Section 7.05, in the event that any Restricted Payment or Investment (or any portion thereof) meets the criteria of more than one of the categories of Restricted Payments described in Section 7.05(a), clauses (1) through (24) of Section 7.05(b) or one or more of the clauses contained in the definition of "Permitted Investments," the Borrower will be entitled to divide or classify (or later divide, classify or reclassify), in whole or in part, in its sole discretion, such Restricted Payment or Investment (or any portion thereof) among Section 7.05(a), such clauses (1) through (24) of Section 7.05(b) or one or more clauses contained in the definition of "Permitted Investments," in any manner that otherwise complies with this Section 7.05.

The amount of all Restricted Payments (other than cash) will be the fair market value on the date the Restricted Payment is made, or at the Borrower's election, the date a commitment is made to make such Restricted Payment, of the assets or securities proposed to be transferred or issued by the Borrower or any Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment.

For the avoidance of doubt, this Section 7.05 will not restrict the making of any AHYDO Payment with respect to, and required by the terms of, any Indebtedness of the Borrower or any Restricted Subsidiary permitted to be incurred under this Agreement.

SECTION 7.06 Change in Nature of Business. The Borrower shall not, nor shall the Borrower permit any Restricted Subsidiary to, engage in any material line of business substantially different from those lines of business conducted by the Borrower and the Restricted Subsidiaries on the Closing Date or any business(es) or any other activities that are reasonably similar, ancillary, incidental, complimentary or related to, or a reasonable extension, development or expansion of, the business conducted or proposed to be conducted by the Borrower and the Restricted Subsidiaries on the Closing Date.

SECTION 7.07 Transactions with Affiliates.

(a) The Borrower shall not, nor shall the Borrower permit any Restricted Subsidiary to, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate of the Borrower (each of the foregoing, an "**Affiliate Transaction**") involving aggregate payments or consideration in excess of $25.0 million, unless (A) such Affiliate Transaction is on terms, taken as a whole, that are not materially less favorable to the Borrower or the relevant Restricted Subsidiary than those that would have been obtained at such time in a comparable transaction by the Borrower or such Restricted Subsidiary with a Person other than an Affiliate of the Borrower on an arm's-length basis or, if in the good faith judgment of the Board of Directors no comparable transaction is available with which to compare such Affiliate Transaction, such Affiliate Transaction is otherwise fair to the Borrower or such Restricted Subsidiary from a financial point of view, and (B) the Borrower delivers to the Administrative Agent with respect to any Affiliate Transaction or series of related Affiliate Transactions requiring aggregate payments or consideration in excess of $100.0 million, a resolution adopted by the majority of the Board of Directors approving such Affiliate Transaction and set forth in an Officer's Certificate certifying that such Affiliate Transaction complies with clause (A) above.

(b) The foregoing restriction will not apply to the following:

(1) (a) transactions between or among the Borrower and one or more Restricted Subsidiaries or between or among Restricted Subsidiaries or, in any case, any entity that becomes a Restricted Subsidiary as a result of such transaction and (b) any merger, consolidation or amalgamation of the Borrower and any Parent Company; *provided* that such merger, consolidation or amalgamation of the Borrower is otherwise in compliance with the terms of this Agreement and effected for a *bona fide* business purpose;

(2) (a) Restricted Payments permitted by Section 7.05 (including any transaction specifically excluded from the definition of the term "Restricted Payments," including pursuant to the exceptions contained in the definition thereof and the parenthetical exclusions of such definition), (b) any Permitted Investment(s) or any acquisition otherwise permitted hereunder and (c) Indebtedness permitted by Section 7.02;

(3) (a) the payment of management, consulting, monitoring, transaction, advisory and other fees, indemnities and expenses pursuant to the Management Services Agreement (including any unpaid management, consulting, monitoring, transaction, advisory and other fees, indemnities and expenses accrued in any prior year) and any termination fees pursuant to the Management Services Agreement, or any amendment thereto or replacement thereof so long as any such amendment or replacement is not materially disadvantageous in the good faith judgment of the Board of Directors to the Lenders when taken as a whole, as compared to the Management Services Agreement as in effect on the Closing Date or as described in the offering circular with respect to the Senior Notes,

(b) the payment of indemnification and similar amounts to, and reimbursement of expenses to, the Investors and their officers, directors, employees and Affiliates, in each case, approved by, or pursuant to arrangements approved by, the Board of Directors,

(c) payments, loans, advances or guarantees (or cancellation of loans, advances or guarantees) to future, present or former employees, officers, directors, managers, consultants or independent contractors or guarantees in respect thereof for bona fide business purposes or in the ordinary course of business or consistent with industry practice,

(d) any subscription agreement or similar agreement pertaining to the repurchase of Equity Interests pursuant to put/call rights or similar rights with current, former or future officers, directors, employees, managers, consultants and independent contractors of the Borrower, any Subsidiary or any Parent Company and

(e) any payment of compensation or other employee compensation, benefit plan or arrangement, any health, disability or similar insurance plan which covers current, former or future officers, directors, employees, managers, consultants and independent contractors of the Borrower, any Subsidiary or any Parent Company;

(4) the payment of fees and compensation paid to, and indemnities and reimbursements and employment and severance arrangements provided to, or on behalf of or for the benefit of, present, future or former employees, directors, officers, members of management or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members or any permitted transferees thereof) of the Borrower, any Parent Company or any Restricted Subsidiary;

(5) transactions in which the Borrower or any Restricted Subsidiary, as the case may be, delivers to the Administrative Agent a letter from an Independent Financial Advisor stating that such

transaction is fair to the Borrower or such Restricted Subsidiary from a financial point of view or stating that the terms, when taken as a whole, are not materially less favorable to the Borrower or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Borrower or such Restricted Subsidiary with a Person that is not an Affiliate of the Borrower on an arm's-length basis;

(6) the existence of, or the performance by the Borrower or any Restricted Subsidiary of its obligations under the terms of, any agreement as in effect as of the Closing Date, or any amendment thereto or replacement thereof (so long as any such amendment or replacement is not materially disadvantageous in the good faith judgment of the Board of Directors to the Lenders, when taken as a whole, as compared to the applicable agreement as in effect on the Closing Date);

(7) the existence of, or the performance by the Borrower or any Restricted Subsidiary of its obligations under the terms of, any equity holders agreement or the equivalent (including any registration rights agreement or purchase agreement related thereto) to which it is a party as of the Closing Date and any amendment thereto and, similar agreements or arrangements that it may enter into thereafter; *provided* that the existence of, or the performance by the Borrower or any Restricted Subsidiary of obligations under any future amendment to any such existing agreement or arrangement or under any similar agreement or arrangement entered into after the Closing Date will be permitted by this clause (7) to the extent that the terms of any such amendment or new agreement or arrangement are not otherwise materially disadvantageous in the good faith judgment of the Board of Directors to the Lenders, when taken as a whole, as compared to the original agreement or arrangement in effect on the Closing Date;

(8) the Transactions and the payment of all fees and expenses related to the Transactions, including Transaction Expenses;

(9) transactions with customers, clients, suppliers, contractors, joint venture partners or purchasers or sellers of goods or services, or transactions otherwise relating to the purchase or sale of goods or services, in each case in the ordinary course of business or consistent with industry practice and otherwise in compliance with the terms of this Agreement that are fair to the Borrower and the Restricted Subsidiaries, in the reasonable determination of the Board of Directors or the senior management of the Borrower, or are on terms at least as favorable as might reasonably have been obtained at such time from an unaffiliated party;

(10) the issuance, sale or transfer of Equity Interests (other than Disqualified Stock) of the Borrower or any Parent Company to any Person and the granting and performing of customary rights (including registration rights) in connection therewith, and any contribution to the capital of the Borrower;

(11) sales of accounts receivable, or participations therein, or Securitization Assets or related assets in connection with any Qualified Securitization Facility and any other transaction effected in connection with a Qualified Securitization Facility or a financing related thereto;

(12) payments by the Borrower or any Restricted Subsidiary made for any financial advisory, consulting, financing, underwriting or placement services or in respect of other investment banking activities, including in connection with acquisitions or divestitures, which payments are approved by, or made pursuant to arrangements approved by, a majority of the Board of Directors in good faith;

(13) payments with respect to Indebtedness, Disqualified Stock and other Equity Interests (and cancellation of any thereof) of the Borrower, any Parent Company and any Restricted Subsidiary and Preferred Stock (and cancellation of any thereof) of any Restricted Subsidiary to any future, current or former employee, director, officer, member of management or consultant (or their respective Controlled Investment Affiliates or Immediate Family Members or permitted transferees) of the Borrower, any of its Subsidiaries or any Parent Company pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or agreement or any equity subscription or equity holder agreement that are, in each case, approved by the Borrower in good faith; and any employment agreements, severance arrangements, stock option plans and other compensatory arrangements (and any successor plans

thereto) and any supplemental executive retirement benefit plans or arrangements with any such employees, directors, officers, members of management or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members or any permitted transferees thereof) that are, in each case, approved by the Borrower in good faith;

(14) (a) investments by Affiliates in securities of the Borrower or any Restricted Subsidiary (and payment of reasonable out-of-pocket expenses incurred by such Affiliates in connection therewith) so long as the investment is being offered by the Borrower or such Restricted Subsidiary generally to other investors on the same or more favorable terms and (b) payments to Affiliates in respect of securities of the Borrower or any Restricted Subsidiary contemplated in the foregoing subclause (a) or that were acquired from Persons other than the Borrower and the Restricted Subsidiaries, in each case, in accordance with the terms of such securities;

(15) payments to or from, and transactions with, any joint venture or Unrestricted Subsidiary in the ordinary course of business or consistent with past practice, industry practice or industry norms (including, any cash management activities related thereto);

(16) payments by the Borrower (and any Parent Company) and its Subsidiaries pursuant to tax sharing agreements among the Borrower (and any Parent Company) and its Subsidiaries; *provided* that in each case the amount of such payments in any taxable year does not exceed the amount that the Borrower, its Restricted Subsidiaries and its Unrestricted Subsidiaries (to the extent of amount received from Unrestricted Subsidiaries) would be required to pay in respect of foreign, federal, state and local taxes for such taxable year were the Borrower, its Restricted Subsidiaries and its Unrestricted Subsidiaries (to the extent described above) to pay such taxes separately from any such Parent Company;

(17) any lease entered into between the Borrower or any Restricted Subsidiary, as lessee and any Affiliate of the Borrower, as lessor, and any transaction(s) pursuant to that lease, which lease is approved by the Board of Directors or senior management of the Borrower in good faith;

(18) intellectual property licenses in the ordinary course of business or consistent with industry practice;

(19) the payment of reasonable out-of-pocket costs and expenses relating to registration rights and indemnities provided to equity holders of the Borrower or any Parent Company pursuant to the equity holders agreement or the registration rights agreement entered into on or after the Closing Date;

(20) transactions permitted by, and complying with, Section 7.03 solely for the purpose of (a) reorganizing to facilitate any initial public offering of securities of the Borrower or any Parent Company, (b) forming a holding company or (c) reincorporating the Borrower in a new jurisdiction;

(21) transactions undertaken in good faith (as determined by the Board of Directors or certified by senior management of the Borrower in an Officer's Certificate) for the purposes of improving the consolidated tax efficiency of the Borrower and its Restricted Subsidiaries and not for the purpose of circumventing Articles VI and VII of this Agreement; so long as such transactions, when taken as a whole, do not result in a material adverse effect on the Liens on the Collateral granted by the Loan Parties in favor of the Secured Parties, when taken as a whole, in each case, as determined in good faith by the Board of Directors or certified by senior management of the Borrower in an Officer's Certificate;

(22) (a) transactions with a Person that is an Affiliate of the Borrower (other than an Unrestricted Subsidiary) solely because the Borrower or any Restricted Subsidiary owns Equity Interests in such Person and (b) transactions with any Person that is an Affiliate solely because a director or officer of such Person is a director or officer of the Borrower, any Restricted Subsidiary or any Parent Company;

(23) (a) pledges and other transfers of Equity Interests in Unrestricted Subsidiaries and (b) any transactions with an Affiliate in which the consideration paid consists solely of Equity Interests of the Borrower or a Parent Company;

(24) the sale, issuance or transfer of Equity Interests (other than Disqualified Stock) of the Borrower;

(25) investments by any Investor or Parent Company in securities of the Borrower or any Guarantor; and

(26) payments in respect of (a) the Obligations (or any Credit Agreement Refinancing Indebtedness), (b) the Senior Notes or (c) other Indebtedness of the Borrower and its Subsidiaries held by Affiliates; *provided* that such Obligations were acquired by an Affiliate of the Borrower in compliance herewith.

SECTION 7.08 Burdensome Agreements.

(a) The Borrower shall not, nor shall the Borrower permit any Restricted Subsidiary that is not a Guarantor (or, solely in the case of clause (4), that is a Subsidiary Guarantor) to, directly or indirectly, create or otherwise cause to exist or become effective any consensual encumbrance or consensual restriction (other than this Agreement or any other Loan Document) on the ability of any Restricted Subsidiary that is not a Guarantor (or, solely in the case of clause (4), that is a Subsidiary Guarantor) to:

(1) (a) pay dividends or make any other distributions to the Borrower or any Restricted Subsidiary that is a Guarantor on its Capital Stock or with respect to any other interest or participation in, or measured by, its profits, or

(b) pay any Indebtedness owed to the Borrower or to any Restricted Subsidiary that is a Guarantor;

(2) make loans or advances to the Borrower or to any Restricted Subsidiary that is a Guarantor;

(3) sell, lease or transfer any of its properties or assets to the Borrower or to any Restricted Subsidiary that is a Guarantor; or

(4) with respect to the Borrower or any Subsidiary Guarantor, (a) Guaranty the Obligations or (b) create, incur or cause to exist or become effective Liens on property of such Person for the benefit of the Lenders with respect to the Obligations under the Loan Documents to the extent such Lien is required to be given to the Secured Parties pursuant to the Loan Documents;

provided that any dividend or liquidation priority between or among classes or series of Capital Stock, and the subordination of any Obligation (including the application of any remedy bars thereto) to any other Obligation will not be deemed to constitute such an encumbrance or restriction.

(b) Section 7.08(a) will not apply to any encumbrances or restrictions existing under or by reason of:

(a) encumbrances or restrictions in effect on the Closing Date, including pursuant to the Loan Documents and any Hedge Agreements, Hedging Obligations and the related documentation;

(b) the Senior Notes Indenture, the Senior Notes and the guarantees thereof;

(c) Purchase Money Obligations and Capitalized Lease Obligations that impose restrictions of the nature discussed in clause (3) above on the property so acquired;

(d) applicable Law or any applicable rule, regulation or order;

(e) any agreement or other instrument of a Person, or relating to Indebtedness or Equity Interests of a Person, acquired by or merged, amalgamated or consolidated with and into the Borrower or any Restricted Subsidiary or an Unrestricted Subsidiary that is designated as a Restricted Subsidiary, or any other transaction entered into in connection with any such acquisition, merger, consolidation or amalgamation in existence at the time of such acquisition or at the time it merges, amalgamates or consolidates with or into the Borrower or any Restricted Subsidiary or an Unrestricted Subsidiary that is designated as a Restricted Subsidiary or assumed in connection with the acquisition of assets from such Person (but, in any such case, not created in contemplation thereof), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person so acquired and its Subsidiaries, or the property or assets of the Person so acquired or designated and its Subsidiaries or the property or assets so acquired or designated;

(f) contracts or agreements for the sale or disposition of assets, including any restrictions with respect to a Subsidiary of the Borrower pursuant to an agreement that has been entered into for the sale or disposition of all or substantially all of the Capital Stock or assets of such Subsidiary;

(g) [reserved];

(h) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business or consistent with industry practice or arising in connection with any Liens permitted by Section 7.01;

(i) Indebtedness, Disqualified Stock or Preferred Stock of Restricted Subsidiaries that are not Guarantors permitted to be incurred subsequent to the Closing Date pursuant to Section 7.02;

(j) provisions in joint venture agreements and other similar agreements (including equity holder agreements) relating to such joint venture or its members or entered into in the ordinary course of business or consistent with industry practice;

(k) customary provisions contained in leases, sub-leases, licenses, sub-licenses, Equity Interests or similar agreements, including with respect to intellectual property and other agreements;

(l) restrictions created in connection with any Qualified Securitization Facility that, in the good faith determination of the Board of Directors of the Borrower, are necessary or advisable to effect such Qualified Securitization Facility;

(m) restrictions or conditions contained in any trading, netting, operating, construction, service, supply, purchase, sale or other agreement to which the Borrower or any Restricted Subsidiary is a party entered into in the ordinary course of business or consistent with industry practice; *provided* that such agreement prohibits the encumbrance of solely the property or assets of the Borrower or such Restricted Subsidiary that are the subject to such agreement, the payment rights arising thereunder or the proceeds thereof and does not extend to any other asset or property of the Borrower or such Restricted Subsidiary or the assets or property of another Restricted Subsidiary;

(n) customary provisions restricting subletting or assignment of any lease governing a leasehold interest of any Restricted Subsidiary;

(o) customary provisions restricting assignment of any agreement;

(p) restrictions arising in connection with cash or other deposits permitted under Section 7.01;

(q) any other agreement or instrument governing any Indebtedness, Disqualified Stock, or Preferred Stock permitted to be incurred or issued pursuant to Section 7.02 entered into after the Closing Date that contains encumbrances and restrictions that either (i) are no more restrictive in any

material respect, taken as a whole, with respect to any Restricted Subsidiary than (A) the restrictions contained in the Loan Documents, the Senior Notes Indenture and the Senior Notes as of the Closing Date or (B) those encumbrances and other restrictions that are in effect on the Closing Date with respect to that Restricted Subsidiary pursuant to agreements in effect on the Closing Date, (ii) are not materially more disadvantageous, taken as a whole, to the Lenders than is customary in comparable financings for similarly situated issuers or (iii) will not materially impair the Borrower's ability to make payments on the Obligations when due, in each case in the good faith judgment of the Borrower;

(r) (i) Indebtedness and Liens in respect of Existing Mortgage Debt, Indebtedness permitted to be incurred pursuant to Section 7.02(b)(4) and any permitted refinancing in respect of the foregoing and (ii) agreements entered into in connection with any Sale-Leaseback Transaction entered into in the ordinary course of business or consistent with industry practice;

(s) customary restrictions and conditions contained in documents relating to any Lien so long as (i) such Lien is a Permitted Lien and such restrictions or conditions relate only to the specific asset subject to such Lien and (ii) such restrictions and conditions are not created for the purpose of avoiding the restrictions imposed by this Section 7.08;

(t) any encumbrance or restriction with respect to a Restricted Subsidiary that was previously an Unrestricted Subsidiary which encumbrance or restriction exists pursuant to or by reason of an agreement that such Subsidiary is a party to or entered into before the date on which such Subsidiary became a Restricted Subsidiary; *provided* that such agreement was not entered into in anticipation of an Unrestricted Subsidiary becoming a Restricted Subsidiary and any such encumbrance or restriction does not extend to any assets or property of the Borrower or any other Restricted Subsidiary other than the assets and property of such Restricted Subsidiary;

(u) any encumbrances or restrictions of the type referred to in clauses (1), (2) or (3) above imposed by any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of the contracts, instruments or obligations referred to in clauses (a) through (t) above; *provided* that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are, in the good faith judgment of the Borrower, no more restrictive in any material respect with respect to such encumbrance and other restrictions, taken as a whole, than those prior to such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing;

(v) existing under, by reason of or with respect to Refinancing Indebtedness;*provided* that the encumbrances and restrictions contained in the agreements governing that Refinancing Indebtedness are, in the good faith judgment of the Borrower, not materially more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being refinanced; and

(w) applicable law or any applicable rule, regulation or order in any jurisdiction where Indebtedness, Disqualified Stock or Preferred Stock of Foreign Subsidiaries permitted to be incurred pursuant to Section 7.02 is incurred.

SECTION 7.09 Accounting Changes. The Borrower shall not, nor shall the Borrower permit any Restricted Subsidiary to, make any change in fiscal year; *provided*, *however*, that the Borrower may, upon written notice to the Administrative Agent, change its fiscal year to any other fiscal year reasonably acceptable to the Administrative Agent, in which case, the Borrower and the Administrative Agent will, and are hereby authorized by the Lenders to, make any adjustments to this Agreement that are necessary to reflect such change in fiscal year.

SECTION 7.10 Modification of Terms of Subordinated Indebtedness. The Borrower shall not, nor shall the Borrower permit any Restricted Subsidiary to, amend, modify or change in any manner materially adverse to the interests of the Lenders, as determined in good faith by the Borrower, any term or condition of any Subordinated Indebtedness having an aggregate outstanding principal amount greater than the Threshold Amount (other than as a result of any Refinancing Indebtedness in respect thereof) without the consent of the Administrative Agent (which consent shall not be unreasonably withheld or delayed); *provided*, *however*, that no amendment,

modification or change of any term or condition of any Subordinated Indebtedness permitted by any subordination provisions set forth in the applicable Subordinated Indebtedness or any other stand-alone subordination agreement in respect thereof and, in each case connected to the Administrative Agent shall be deemed to be materially adverse to the interests of the Lenders.

SECTION 7.11 Holdings. Holdings will not conduct, transact or otherwise engage in any business or operations other than the following (and activities incidental thereto):

(1) the ownership or acquisition of the Capital Stock (other than Disqualified Stock) of any other Successor Holdings or the Borrower,

(2) the maintenance of its legal existence, including the ability to incur fees, costs and expenses relating to such maintenance,

(3) to the extent applicable, participating in tax, accounting and other administrative matters as a member of the combined group of Holdings and the Borrower,

(4) the performance of its obligations under and in connection with, and payments with respect to, the Loan Documents, the Senior Notes, the Senior Notes Indenture and related documentation and any documents relating to other Indebtedness permitted under Section 7.02 (including, for the avoidance of doubt, the incurrence of Qualified Holding Company Debt),

(5) any public offering of its common stock or any other issuance or registration of its Capital Stock for sale or resale not prohibited by this Article VII, including the costs, fees and expenses related thereto,

(6) repurchases of Indebtedness through open market purchases and Dutch auctions (in the case of Loans, to the extent permitted hereunder),

(7) the incurrence of Qualified Holding Company Debt,

(8) any transaction that Holdings is permitted to enter into or consummate under this Article VII and any transaction between or among Holdings and the Borrower or any one or more Restricted Subsidiaries permitted under this Article VII, including:

(a) making any payment(s) or Restricted Payment(s) (i) to the extent otherwise permitted under this Section 7.11 and (ii) with any amounts received pursuant to transactions permitted under Section 7.05 (or the making of a loan to any Parent Company in lieu of any such payment(s) or Restricted Payment(s)) or holding any cash received in connection therewith pending application thereof by Holdings,

(b) making any investment to the extent (i) payment therefor is made solely with the Capital Stock of Holdings (other than Disqualified Stock), the proceeds of Restricted Payments received from the Borrower or proceeds of the issuance of, or contribution in respect of the, Capital Stock (other than Disqualified Stock) of Holdings and (ii) any property (including Capital Stock) acquired in connection therewith is contributed to the Borrower or a Subsidiary Guarantor (or, if otherwise permitted by Section 7.05 or constituting a Permitted Investment, a Restricted Subsidiary) or the Person formed or acquired in connection therewith is merged with the Borrower or a Subsidiary Guarantor;

(c) guaranteeing the obligations and granting of Liens of the Borrower and its Subsidiaries to the extent such obligations are not prohibited hereunder;

(d) incurrence of Indebtedness of Holdings representing deferred compensation to employees, consultants or independent contractors of Holdings and unsecured Indebtedness consisting of promissory notes issued by any Loan Party to future, present or former employees, directors, officers,

managers, distributors or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members) of the Borrower, any Subsidiary or any Parent Company to finance the retirement, acquisition, repurchase, purchase or redemption of Capital Stock of Holdings,

(e) incurring fees, costs and expenses relating to overhead and general operating including professional fees for legal, tax and accounting issues and paying taxes,

(f) providing indemnification to officers and directors and as otherwise permitted in this Article VII,

(g) activities incidental to the consummation of the Transactions,

(h) the making of any loan to any officers or directors contemplated by Section 7.05 or constituting a Permitted Investment, the making of any investment in the Borrower or any Subsidiary Guarantor or, to the extent otherwise allowed under Section 7.05 or constituting a Permitted Investment, a Restricted Subsidiary,

(i) participating in tax, accounting and other administrative matters as a member of the consolidated group of Holdings and the Borrower,

(j) making contributions to the capital of its Subsidiaries, or

(k) making investments in cash and Cash Equivalents, or

(9) activities incidental to the businesses or activities described in clauses (1) through (8) of this Section 7.11.

SECTION 7.12 Financial Covenant. The Borrower and each of the Restricted Subsidiaries covenant and agree that:

(1) Commencing with the Test Period ending September 30, 2015, the Borrower will not permit the First Lien Net Leverage Ratio as of the last day of any Test Period to exceed 6.50 to 1.00 if the aggregate principal amount of Revolving Loans (including Letters of Credit, but excluding all cash-collateralized Letters of Credit and undrawn amounts under any other Letters of Credit, up to $20.0 million) exceeds (or exceeded) 30% of the then outstanding Revolving Commitments in effect on such date.

(2) The provisions of this Section 7.12 are for the benefit of the Revolving Lenders only and only the Required Revolving Lenders (without the consent of any other Lenders) may amend, waive or otherwise modify this Section 7.12 or the defined terms used in this Section 7.12 (solely in respect of the use of such defined terms in this Section 7.12) or waive any Default resulting from a breach of this Section 7.12.

ARTICLE VIII

Events of Default and Remedies

SECTION 8.01 Events of Default. Each of the events referred to in clauses (1) through (11) of this Section 8.01 shall constitute an "**Event of Default**":

(1) Non-Payment. The Borrower fails to pay (a) when and as required to be paid herein, any amount of principal of any Loan or (b) within five (5) Business Days after the same becomes due, any interest on any Loan or any other amount payable hereunder or with respect to any other Loan Document; or

(2) Specific Covenants. The Borrower, any other Loan Party or, in the case of Section 7.11, Holdings, fails to perform or observe any term, covenant or agreement contained in any of Section 6.03(1) or 6.05(1) (solely with respect to the Borrower, other than in a transaction permitted under Section 7.03 or 7.04) or Article VII; *provided* that the Borrower's failure to comply with the Financial Covenant (a "**Financial Covenant Event of Default**") shall not constitute an Event of Default with respect to any Term Loans or Term Commitments unless and until the date on which the Revolving Lenders have actually terminated the Revolving Commitments and declared all Obligations with respect to the Revolving Facility to be immediately due and payable pursuant to Section 8.02 (and such declaration has not been rescinded as of the applicable date) (a "**Financial Covenant Cross Default**"); *provided further* that any Financial Covenant Event of Default is subject to cure pursuant to Section 8.04; or

(3) Other Defaults. Any Loan Party fails to perform or observe any other covenant or agreement (not specified in Section 8.01(1) or (2) above) contained in any Loan Document on its part to be performed or observed and such failure continues for thirty (30) days after receipt by the Borrower of written notice thereof from the Administrative Agent; or

(4) Representations and Warranties. Any representation, warranty, certification or statement of fact made or deemed made by the Borrower or any Subsidiary Guarantor herein, in any other Loan Document, or in any document required to be delivered in connection herewith or therewith shall be untrue in any material respect when made or deemed made; or

(5) Cross-Default. Any Loan Party or any Restricted Subsidiary (a) fails to make any payment beyond the applicable grace period, if any, whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise, in respect of any Indebtedness (other than Indebtedness hereunder) having an aggregate outstanding principal amount (individually or in the aggregate with all other Indebtedness as to which such a failure shall exist) of not less than the Threshold Amount, or (b) fails to observe or perform any other agreement or condition relating to any such Indebtedness, or any other event occurs (other than, with respect to Indebtedness consisting of Hedging Obligations, termination events or equivalent events pursuant to the terms of such Hedging Obligations and not as a result of any default thereunder by the Borrower, or any Subsidiary Guarantor or any Restricted Subsidiary), the effect of which default or other event is to cause, or to permit the holder or holders of such Indebtedness (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such Indebtedness to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such Indebtedness to be made, prior to its stated maturity; *provided* that (A) such failure is unremedied and is not waived by the holders of such Indebtedness prior to any termination of the Commitments or acceleration of the Loans pursuant to Section 8.02 and (B) this clause (5)(b) shall not apply to secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness, if such sale or transfer is permitted hereunder and under the documents providing for such Indebtedness; or

(6) Insolvency Proceedings, etc. Holdings, the Borrower, any Loan Party or any Restricted Subsidiary that is a Significant Subsidiary institutes or consents to the institution of any proceeding under any Debtor Relief Law, or makes an assignment for the benefit of creditors; or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator, administrator, administrative receiver or similar officer for it or for all or any material part of its property; or any receiver, trustee, custodian, conservator, liquidator, rehabilitator, administrator, administrative receiver or similar officer is appointed without the application or consent of such Person and the appointment continues undischarged or unstayed for sixty (60) calendar days; or any proceeding under any Debtor Relief Law relating to any such Person or to all or any material part of its property is instituted without the consent of such Person and continues undismissed or unstayed for sixty (60) calendar days, or an order for relief is entered in any such proceeding; or

(7) Judgments. There is entered against any Loan Party or any Restricted Subsidiary a final judgment and order for the payment of money in an aggregate amount exceeding the Threshold Amount (to the extent not covered by independent third-party insurance as to which the insurer has been notified of such judgment or order and has not denied coverage thereof) and such judgment or order shall not have been satisfied, vacated, discharged or stayed or bonded pending an appeal for a period of sixty (60) consecutive days; or

(8) ERISA. (a) An ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan, (ii) the Borrower or any Subsidiary Guarantor or any of their respective ERISA Affiliates fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its Withdrawal Liability under Section 4201 of ERISA under a Multiemployer Plan in an aggregate amount which would reasonably be expected to result in a Material Adverse Effect, or (b) with respect to a Foreign Plan a termination, withdrawal or noncompliance with applicable Law or plan terms, except, with respect to each of the foregoing clauses of this Section 8.01(8), as would not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect; or

(9) Invalidity of Loan Documents. Any material provision of the Loan Documents, taken as a whole, at any time after its execution and delivery and for any reason, other than (a) as expressly permitted by a Loan Document (including as a result of a transaction permitted under Section 7.03 or 7.04), (b) as a result of acts or omissions by an Agent or any Lender or (c) due to the satisfaction in full of the Termination Conditions, ceases to be in full force and effect; or any Loan Party contests in writing the validity or enforceability of the Loan Documents, taken as a whole (other than as a result of the satisfaction of the Termination Conditions), or any Loan Party denies in writing that it has any or further liability or obligation under the Loan Documents, taken as a whole (other than as a result of the satisfaction of the Termination Conditions), or purports in writing to revoke or rescind the Loan Documents, taken as a whole, prior to the satisfaction of the Termination Conditions;

(10) Collateral Documents. Any Collateral Document with respect to a material portion of the Collateral after delivery thereof pursuant to Section 4.01, 6.11 or 6.13 for any reason (other than pursuant to the terms hereof or thereof including as a result of a transaction not prohibited under this Agreement) ceases to create, a valid and perfected Lien with the priority required by the Collateral Document (or other security purported to be created on the applicable Collateral) on and security interest in any material portion of the Collateral purported to be covered thereby, subject to Liens permitted under Section 7.01, except to the extent that any such loss of perfection or priority is not required pursuant to the Collateral and Guarantee Requirement or results from the failure of the Administrative Agent or the Collateral Agent to maintain possession of Collateral actually delivered to it and pledged under the Collateral Documents or to file Uniform Commercial Code amendments relating to a Loan Party's change of name or jurisdiction of formation (solely to the extent that the Borrower provides the Collateral Agent written notice thereof in accordance with the Security Agreement, and the Collateral Agent and the Borrower have agreed that the Collateral Agent will be responsible for filing such amendments) and continuation statements or to take any other action primarily within its control with respect to the Collateral and except as to Collateral consisting of real property to the extent that such losses are covered by a lender's title insurance policy and such insurer has not denied coverage; or

(11) Change of Control. There occurs any Change of Control.

SECTION 8.02 Remedies upon Event of Default. Except as provided in clause (a) below, if any Event of Default occurs and is continuing, the Administrative Agent may with the consent of the Required Lenders and shall, at the request of the Required Lenders, take any or all of the following actions:

(1) declare the Commitments of each Lender and any obligation of the Issuing Banks to make L/C Credit Extensions and the Swing Line Lender to make Swing Line Loans to be terminated, whereupon such Commitments and obligation will be terminated;

(2) declare the unpaid principal amount of all outstanding Loans, all interest accrued and unpaid thereon, and all other amounts owing or payable under any Loan Document to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Borrower;

(3) require that the Borrower Cash Collateralize the then outstanding Letters of Credit (in an amount equal to the then Outstanding Amount thereof); and

(4) exercise on behalf of itself and the Lenders all rights and remedies available to it and the Lenders under the Loan Documents or applicable Law;

provided that upon the occurrence of an actual or deemed entry of an order for relief with respect to the Borrower under Title 11 of the United States Code entitled "Bankruptcy," as now or hereafter in effect, or any successor thereto (the "**Bankruptcy Code**"), the Commitments of each Lender and any obligation of the Issuing Banks to issue Letters of Credit and any obligation of the Swing Line Lender to make Swing Line Loans, will automatically terminate, the unpaid principal amount of all outstanding Loans and all interest and other amounts as aforesaid will automatically become due and payable, and the obligation of the Borrower to Cash Collateralize the Letters of Credit as aforesaid will automatically become effective, in each case without further act of the Administrative Agent or any Lender;

provided further that:

(a) (i) if a Financial Covenant Event of Default occurs and is continuing, the Required Revolving Lenders may either (x) terminate the Revolving Commitments or (y) take the actions specified in this Section 8.02 in respect of the Revolving Commitments, the Revolving Loans, the Swing Line Loans and Letters of Credit and (ii) the Required Lenders may take any of the actions specified in this Section 8.02 in respect of a Financial Covenant Event of Default that has occurred and is continuing upon the occurrence of a Financial Covenant Cross Default; and

(b) notwithstanding anything to the contrary, if the only Event of Default then having occurred and continuing is the Financial Covenant Event of Default, then the Administrative Agent may not take any of the actions set forth in this Section 8.02 (i) unless the Required Revolving Lenders have taken action under the preceding clause (a)(i) or (ii) during the period commencing on the date that the Administrative Agent receives a Notice of Intent to Cure and ending on the Cure Expiration Date with respect thereto in accordance with and to the extent permitted by Section 8.04.

SECTION 8.03 Application of Funds. After the exercise of remedies provided for in Section 8.02 (or after the Loans have automatically become immediately due and payable as set forth in the first proviso to Section 8.02), subject to any Intercreditor Agreement then in effect, any amounts received on account of the Obligations will be applied by the Administrative Agent in the following order:

First, to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (other than principal and interest, but including Attorney Costs payable under Section 10.04 and amounts payable under Article III) payable to the Administrative Agent in its capacity as such;

Second, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal and interest, but including Attorney Costs payable under Section 10.04 and amounts payable under Article III) payable to the Lenders, ratably among them in proportion to the amounts described in this clause Second payable to them;

Third, to payment of that portion of the Obligations constituting accrued and unpaid interest on the Loans and L/C Borrowings, ratably among the Lenders in proportion to the respective amounts described in this clause Third payable to them;

Fourth, to payment of that portion of the Obligations constituting unpaid principal of the Loans and L/C Borrowings (including to Cash Collateralize that portion of L/C Obligations comprised of the aggregate undrawn amount of Letters of Credit), the Obligations under Secured Hedge Agreements and Cash Management Obligations, ratably among the Secured Parties in proportion to the respective amounts described in this clause Fourth held by them;

Fifth, to the payment of all other Obligations of the Loan Parties that are due and payable to the Administrative Agent and the other Secured Parties on such date, ratably based upon the respective aggregate amounts of all such Obligations owing to the Administrative Agent and the other Secured Parties on such date; and

Last, the balance, if any, after all of the Obligations have been paid in full, to the Borrower or as otherwise required by Law.

Subject to Section 2.03(3), amounts used to Cash Collateralize the aggregate undrawn amount of Letters of Credit pursuant to clause Fourth above will be applied to satisfy drawings under such Letters of Credit as they occur. If any amount remains on deposit as Cash Collateral after all Letters of Credit have either been fully drawn or expired, such remaining amount will be applied to the other Obligations, if any, in the order set forth above and, if no Obligations remain outstanding, will be paid to the Borrower.

SECTION 8.04 Right to Cure.

(1) Notwithstanding anything to the contrary contained in Section 8.01 or Section 8.02, but subject to Sections 8.04(2) and (3), for the purpose of determining whether an Event of Default under the Financial Covenant has occurred, the Borrower may on one or more occasions designate any portion of the Net Proceeds from any Permitted Equity Issuance or of any contribution to the common capital of the Borrower (or from any other contribution to capital or sale or issuance of any other Equity Interests on terms reasonably satisfactory to the Administrative Agent) (the "**Cure Amount**") as an increase to Run-Rate Adjusted EBITDA for the applicable fiscal quarter;*provided* that

(a) such amounts to be designated are actually received by the Borrower (i) on or after the last Business Day of the applicable fiscal quarter and (ii) on or prior to the tenth (10th) Business Day after the date on which financial statements are required to be delivered with respect to such applicable fiscal quarter (the "**Cure Expiration Date**"),

(b) such amounts to be designated do not exceed the maximum aggregate amount necessary to cure any Event of Default under the Financial Covenant as of such date and

(c) the Borrower will have provided notice to the Administrative Agent on the date such amounts are designated as a "Cure Amount" (it being understood that to the extent such notice is provided in advance of delivery of a Compliance Certificate for the applicable period, the amount of such Net Proceeds that is designated as the Cure Amount may be lower than specified in such notice to the extent that the amount necessary to cure any Event of Default under the Financial Covenant is less than the full amount of such originally designated amount).

The Cure Amount used to calculate Run-Rate Adjusted EBITDA for one fiscal quarter will be used and included when calculating Run-Rate Adjusted EBITDA for each Test Period that includes such fiscal quarter. The parties hereby acknowledge that this Section 8.04(1) may not be relied on for purposes of calculating any financial ratios other than as applicable to the Financial Covenant (and may not be included for purposes of determining pricing, mandatory prepayments and the availability or amount permitted pursuant to any covenant under Article VII) and may not result in any adjustment to any amounts (including the amount of Indebtedness) or increase in cash with respect to the fiscal quarter with respect to which such Cure Amount was made other than the amount of the Run-Rate Adjusted EBITDA referred to in the immediately preceding sentence, except to the extent such proceeds are actually applied to prepay Indebtedness under the Facilities. Notwithstanding anything to the contrary contained in Section 8.01 and Section 8.02, (A) upon designation of the Cure Amount by the Borrower, the Financial Covenant will be deemed satisfied and complied with as of the end of the relevant fiscal quarter with the same effect as though there had been no failure to comply with the Financial Covenant and any Event of Default under the Financial Covenant (and any other Default as a result thereof) will be deemed not to have occurred for purposes of the Loan Documents, and (B) neither the Administrative Agent nor any Lender may exercise any rights or remedies under Section 8.02 (or under any other Loan Document) on the basis of any actual or purported Event of Default under the Financial Covenant (and any other Default as a result thereof) until and unless the Cure Expiration Date has occurred without the Cure Amount having been designated.

(2) In each period of four consecutive fiscal quarters, there shall be no more than two (2) fiscal quarters in which the cure right set forth in Section 8.04(1) is exercised.

(3) There can be no more than five (5) fiscal quarters in which the cure rights set forth in Section 8.04(1) are exercised during the term of the Facilities.

ARTICLE IX

Administrative Agent and Other Agents

SECTION 9.01 Appointment and Authorization of the Administrative Agent.

(1) Each Lender and Issuing Bank hereby irrevocably appoints Deutsche Bank AG New York Branch, to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article IX (other than Sections 9.09, 9.10, 9.11, 9.12 and 9.16) are solely for the benefit of the Administrative Agent, the Lenders and each Issuing Bank and the Borrower shall not have rights as a third-party beneficiary of any such provision.

(2) The Administrative Agent shall also act as the "collateral agent" under the Loan Documents, and each of the Lenders (including in its capacities as a Lender and a potential Hedge Bank or Cash Management Bank) and the Issuing Banks hereby irrevocably appoints and authorizes the Administrative Agent to act as the agent of (and to hold any security interest created by the Collateral Documents for and on behalf of or in trust for) such Lender and Issuing Bank for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by any of the Loan Parties to secure any of the Obligations, together with such powers and discretion as are reasonably incidental thereto. In this connection, the Administrative Agent, as "collateral agent" (and any co-agents, sub-agents and attorneys-in-fact appointed by the Administrative Agent pursuant to Section 9.05 for purposes of holding or enforcing any Lien on the Collateral (or any portion thereof) granted under the Collateral Documents, or for exercising any rights and remedies thereunder at the direction of the Administrative Agent), shall be entitled to the benefits of all provisions of this Article IX (including Section 9.07, as though such co-agents, sub-agents and attorneys-in-fact were the "collateral agent" under the Loan Documents) as if set forth in full herein with respect thereto. Without limiting the generality of the foregoing, the Lenders hereby expressly authorize the Administrative Agent to execute any and all documents (including releases) with respect to the Collateral and the rights of the Secured Parties with respect thereto (including any Intercreditor Agreement), as contemplated by and in accordance with the provisions of this Agreement and the Collateral Documents and acknowledge and agree that any such action by any Agent shall bind the Lenders.

SECTION 9.02 Rights as a Lender. Any Lender that is also serving as an Agent (including as Administrative Agent) hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not an Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include each Lender (if any) serving as an Agent hereunder in its individual capacity. Any such Person serving as an Agent and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if such Person were not an Agent hereunder and without any duty to account therefor to the Lenders. The Lenders acknowledge that, pursuant to such activities, any Agent or its Affiliates may receive information regarding any Loan Party or any of its Affiliates (including information that may be subject to confidentiality obligations in favor of such Loan Party or such Affiliate) and acknowledge that no Agent shall be under any obligation to provide such information to them.

SECTION 9.03 Exculpatory Provisions. The Administrative Agent, Collateral Agent and the Arrangers shall not have any duties or responsibilities except those expressly set forth in this Agreement and in the

other Loan Documents. Without limiting the generality of the foregoing, an Agent (including the Administrative Agent) and an Arranger:

(1) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing and without limiting the generality of the foregoing, the use of the term "agent" herein and in the other Loan Documents with reference to any Agent or Arranger is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable Law and instead, such term is used merely as a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties;

(2) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that such Agent or Arranger is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), provided that no Agent shall be required to take any action that, in its opinion or the opinion of its counsel, may expose such Agent or Arranger to liability or that is contrary to any Loan Document or applicable law; and

(3) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of their Affiliates that is communicated to or obtained by any Person serving as an Agent, Arranger or any of their Affiliates in any capacity.

Neither the Administrative Agent nor any of its Related Persons shall be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 10.01 and 8.02) or (ii) in the absence of its own gross negligence or willful misconduct as determined by the final and non-appealable judgment of a court of competent jurisdiction, in connection with its duties expressly set forth herein. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given to the Administrative Agent by the Borrower, a Lender, or an Issuing Bank.

No Agent-Related Person shall be responsible for or have any duty to ascertain or inquire into (i) any recital, statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document, or the creation, perfection or priority of any Lien purported to be created by the Collateral Documents, (v) the value or the sufficiency of any Collateral, or (vi) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent, or to inspect the properties, books or records of any Loan Party or any Affiliate thereof. The duties of the Administrative Agent shall be mechanical and administrative in nature; the Administrative Agent shall not have by reason of this Agreement or any other Loan Document a fiduciary relationship in respect of any Lender or the holder of any Note; and nothing in this Agreement or in any other Loan Document, expressed or implied, is intended to or shall be so construed as to impose upon the Administrative Agent any obligations in respect of this Agreement or any other Loan Document except as expressly set forth herein or therein.

Notwithstanding any other provision of this Agreement or any provision of any other Loan Document, each Arranger is named as such for recognition purposes only, and in its capacity as such shall have no powers, duties, responsibilities or liabilities with respect to this Agreement or the other Loan Documents or the transactions contemplated hereby and thereby; it being understood and agreed that each Arranger shall be entitled to all indemnification and reimbursement rights in favor of the Administrative Agent as, and to the extent, provided for under Section 10.05. Without limitation of the foregoing, each Arranger shall not, solely by reason of this Agreement or any other Loan Documents, have any fiduciary relationship in respect of any Lender or any other Person.

SECTION 9.04 Lack of Reliance on the Administrative Agent. Independently and without reliance upon the Administrative Agent, each Lender and the holder of each Note, to the extent it deems appropriate, has made and shall continue to make (i) its own independent investigation of the financial condition and affairs of

Holdings, the Borrower and the Restricted Subsidiaries in connection with the making and the continuance of the Loans and the taking or not taking of any action in connection herewith and (ii) its own appraisal of the creditworthiness of Holdings, the Borrower and the Restricted Subsidiaries and, except as expressly provided in this Agreement, the Administrative Agent shall not have any duty or responsibility, either initially or on a continuing basis, to provide any Lender or the holder of any Note with any credit or other information with respect thereto, whether coming into its possession before the making of the Loans or at any time or times thereafter. The Administrative Agent shall not be responsible to any Lender or the holder of any Note for any recitals, statements, information, representations or warranties herein or in any document, certificate or other writing delivered in connection herewith or for the execution, effectiveness, genuineness, validity, enforceability, perfection, collectability, priority or sufficiency of this Agreement or any other Loan Document or the financial condition of the Holdings, the Borrower or any of the Restricted Subsidiaries or be required to make any inquiry concerning either the performance or observance of any of the terms, provisions or conditions of this Agreement or any other Loan Document, or the financial condition of Holdings, the Borrower or any of the Restricted Subsidiaries or the existence or possible existence of any Default or Event of Default.

SECTION 9.05 Certain Rights of the Administrative Agent. If the Administrative Agent requests instructions from the Required Lenders with respect to any act or action (including failure to act) in connection with this Agreement or any other Loan Document, the Administrative Agent shall be entitled to refrain from such act or taking such action unless and until the Administrative Agent shall have received instructions from the Required Lenders; and the Administrative Agent shall not incur liability to any Lender by reason of so refraining. Without limiting the foregoing, neither any Lender nor the holder of any Note shall have any right of action whatsoever against the Administrative Agent as a result of the Administrative Agent acting or refraining from acting hereunder or under any other Loan Document in accordance with the instructions of the Required Lenders.

SECTION 9.06 Reliance by the Administrative Agent. The Administrative Agent shall be entitled to rely upon, and shall be fully protected in relying upon, any note, writing, resolution, notice, statement, certificate, telex, teletype or facsimile message, cablegram, radiogram, order or other document or telephone message signed, sent or made by any Person that the Administrative Agent believed to be the proper Person, and, with respect to all legal matters pertaining to this Agreement and any other Loan Document and its duties hereunder and thereunder, upon advice of counsel selected by the Administrative Agent. In determining compliance with any condition hereunder to the making of a Loan or the issuance of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or Issuing Bank, the Administrative Agent may presume that such condition is satisfactory to such Lender or Issuing Bank unless the Administrative Agent shall have received notice to the contrary from such Lender or Issuing Bank prior to the making of such Loan or issuances of such Letter of Credit. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

SECTION 9.07 Delegation of Duties. The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Documents by or through any one or more sub agents appointed by the Administrative Agent. The Administrative Agent and any such sub agent may perform any and all of its duties and exercise its rights and powers by or through their respective Agent-Related Persons. The exculpatory provisions of this Article shall apply to any such sub agent and to the Agent-Related Persons of the Administrative Agent and any such sub agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent.

SECTION 9.08 Indemnification. Whether or not the transactions contemplated hereby are consummated, to the extent the Administrative Agent or any other Agent-Related Person (solely to the extent any such Agent-Related Person was performing services on behalf of the Administrative Agent) is not reimbursed and indemnified by the Borrower, the Lenders will reimburse and indemnify the Administrative Agent or any other Agent-Related Person (solely to the extent any such Agent-Related Person was performing services on behalf of the Administrative Agent) in proportion to their respective "percentage" as used in determining the Required Lenders for and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, judgments, costs, expenses or disbursements of whatsoever kind or nature which may be imposed on, asserted against or incurred by the Administrative Agent or any other Agent-Related Person (solely to the extent any such Agent-Related Person

was performing services on behalf of the Administrative Agent) in performing its duties hereunder or under any other Loan Document or in any way relating to or arising out of this Agreement or any other Loan Document; *provided* that no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, claims, actions, judgments, suits, costs, expenses or disbursements resulting from the Administrative Agent's or any other Agent-Related Person's gross negligence or willful misconduct (as determined by a court of competent jurisdiction in a final and non-appealable decision). In the case of any investigation, litigation or proceeding giving rise to any Indemnified Liabilities, this Section 9.08 applies whether any such investigation, litigation or proceeding is brought by any Lender or any other Person. Without limitation of the foregoing, each Lender shall reimburse the Administrative Agent upon demand for its ratable share of any costs or out-of-pocket expenses (including Attorney Costs) incurred by the Administrative Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement, any other Loan Document, or any document contemplated by or referred to herein, to the extent that the Administrative Agent is not reimbursed for such expenses by or on behalf of the Borrower, *provided* that such reimbursement by the Lenders shall not affect the Borrower's continuing reimbursement obligations with respect thereto, *provided further* that the failure of any Lender to indemnify or reimburse the Administrative Agent shall not relieve any other Lender of its obligation in respect thereof. The undertaking in this Section 9.08 shall survive termination of the Aggregate Commitments, the payment of all other Obligations and the resignation of the Administrative Agent.

SECTION 9.09 The Administrative Agent in Its Individual Capacity. With respect to its obligation to make Loans under this Agreement, the Administrative Agent shall have the rights and powers specified herein for a "Lender" and may exercise the same rights and powers as though it were not performing the duties specified herein; and the term "Lender," "Required Lenders" or any similar terms shall, unless the context clearly indicates otherwise, include the Administrative Agent in its respective individual capacities. The Administrative Agent and its affiliates may accept deposits from, lend money to, and generally engage in any kind of banking, investment banking, trust or other business with, or provide debt financing, equity capital or other services (including financial advisory services) to any Loan Party or any Affiliate of any Loan Party (or any Person engaged in a similar business with any Loan Party or any Affiliate thereof) as if they were not performing the duties specified herein, and may accept fees and other consideration from any Loan Party or any Affiliate of any Loan Party for services in connection with this Agreement and otherwise without having to account for the same to the Lenders. The Lenders acknowledge that, pursuant to such activities, any Agent or its Affiliates may receive information regarding any Loan Party or any of its Affiliates (including information that may be subject to confidentiality obligations in favor of such Loan Party or such Affiliate) and acknowledge that no Agent shall be under any obligation to provide such information to them.

SECTION 9.10 Holders. The Administrative Agent may deem and treat the payee of any Note as the owner thereof for all purposes hereof unless and until a written notice of the assignment, transfer or endorsement thereof, as the case may be, shall have been filed with the Administrative Agent. Any request, authority or consent of any Person who, at the time of making such request or giving such authority or consent, is the holder of any Note shall be conclusive and binding on any subsequent holder, transferee, assignee or endorsee, as the case may be, of such Note or of any Note or Notes issued in exchange therefor.

SECTION 9.11 Resignation by the Administrative Agent. The Administrative Agent may resign from the performance of all its respective functions and duties hereunder or under the other Loan Documents at any time by giving 30 Business Days prior written notice to the Lenders and the Borrower. If the Administrative Agent is in material breach of its obligations hereunder as Administrative Agent, then the Administrative Agent may be removed as the Administrative Agent at the reasonable request of the Required Lenders. If the Administrative Agent is a Defaulting Lender, the Borrower may remove the Defaulting Lender from such role upon fifteen days prior written notice to the Lenders. Such resignation or removal shall take effect upon the appointment of a successor Administrative Agent as provided below.

Upon any such notice of resignation by, or notice of removal of, the Administrative Agent, the Required Lenders shall appoint a successor Administrative Agent hereunder or thereunder who shall be a commercial bank or trust company reasonably acceptable to the Borrower, which acceptance shall not be unreasonably withheld or delayed (*provided* that the Borrower's approval shall not be required if an Event of Default under Section 8.01(1) or, solely with respect to the Borrower, Section 8.01(6) has occurred and is continuing).

If a successor Administrative Agent shall not have been so appointed within such 30 Business Day period, the Administrative Agent, with the consent of the Borrower (which consent shall not be unreasonably withheld or delayed, *provided* that the Borrower's consent shall not be required if an Event of Default under Section 8.01(1) or, solely with respect to the Borrower, Section 8.01(6) has occurred and is continuing), shall then appoint a successor Administrative Agent who shall serve as Administrative Agent hereunder or thereunder until such time, if any, as the Required Lenders appoint a successor Administrative Agent as provided above.

If no successor Administrative Agent has been appointed pursuant to the foregoing by the 35th Business Day after the date such notice of resignation was given by the Administrative Agent or such notice of removal was given by the Required Lenders or the Borrower, as applicable, the Administrative Agent's resignation shall nonetheless become effective and the Required Lenders shall thereafter perform all the duties of the Administrative Agent hereunder or under any other Loan Document until such time, if any, as the Required Lenders appoint a successor Administrative Agent as provided above. The retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Administrative Agent on behalf of the Lenders or the Issuing Banks under any of the Loan Documents, the retiring Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed) and all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender or Issuing Bank directly, until such time as the Required Lenders appoint a successor Administrative Agent as provided for above in this Section 9.11.

Upon the acceptance of a successor's appointment as Administrative Agent hereunder and upon the execution and filing or recording of such financing statements, or amendments thereto, and such amendments or supplements to the Mortgages, and such other instruments or notices, as may be necessary or desirable, or as the Required Lenders may request, in order to (i) continue the perfection of the Liens granted or purported to be granted by the Collateral Documents or (ii) otherwise ensure that the Collateral and Guarantee Requirement is satisfied, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) Administrative Agent, and the retiring Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this Section 9.11).

The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring Administrative Agent's resignation hereunder and under the other Loan Documents, the provisions of this Article and Sections 10.04 and 10.05 shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Agent-Related Persons in respect of any actions taken or omitted to be taken by any of them while the retiring Administrative Agent was acting as Administrative Agent.

Upon a resignation of the Administrative Agent pursuant to this Section 9.11, the Administrative Agent (i) shall continue to be subject to Section 10.09 and (ii) shall remain indemnified to the extent provided in this Agreement and the other Loan Documents and the provisions of this Article IX (and the analogous provisions of the other Loan Documents) shall continue in effect for the benefit of the Administrative Agent for all of its actions and inactions while serving as the Administrative Agent.

SECTION 9.12 Collateral Matters. Each Lender (including in its capacities as a potential Cash Management Bank and a potential Hedge Bank) irrevocably authorizes and directs the Collateral Agent to take the actions to be taken by them as set forth in Section 7.04 and 10.24.

Each Lender hereby agrees, and each holder of any Note by the acceptance thereof will be deemed to agree, that, except as otherwise set forth herein, any action taken by the Required Lenders in accordance with the provisions of this Agreement or the Collateral Documents, and the exercise by the Required Lenders of the powers set forth herein or therein, together with such other powers as are reasonably incidental thereto, shall be authorized and binding upon all of the Lenders. The Collateral Agent is hereby authorized on behalf of all of the Lenders,

without the necessity of any notice to or further consent from any Lender, from time to time prior to an Event of Default, to take any action with respect to any Collateral or Collateral Documents which may be necessary to perfect and maintain perfected the security interest in and liens upon the Collateral granted pursuant to the Collateral Documents.

Upon request by the Administrative Agent at any time, the Lenders will confirm in writing the Collateral Agent's authority to release particular types or items of Collateral pursuant to this Section 9.12. In each case as specified in this Section 9.12, the applicable Agent will (and each Lender irrevocably authorizes the applicable Agent to), at the Borrower's expense, execute and deliver to the applicable Loan Party such documents as such Loan Party may reasonably request to evidence the release or subordination of such item of Collateral from the assignment and security interest granted under the Collateral Documents, or to evidence the release of such Guarantor from its obligations under the Guaranty, in each case in accordance with the terms of the Loan Documents and this Section 9.12.

The Collateral Agent shall have no obligation whatsoever to the Lenders or to any other Person to assure that the Collateral exists or is owned by any Loan Party or is cared for, protected or insured or that the Liens granted to the Collateral Agent herein or pursuant hereto have been properly or sufficiently or lawfully created, perfected, protected or enforced or are entitled to any particular priority, or to exercise or to continue exercising at all or in any manner or under any duty of care, disclosure or fidelity any of the rights, authorities and powers granted or available to the Collateral Agent in this Section 9.12, Section 10.24 or in any of the Collateral Documents, it being understood and agreed that in respect of the Collateral, or any act, omission or event related thereto, the Collateral Agent may act in any manner it may deem appropriate, in its sole discretion, given the Collateral Agent's own interest in the Collateral as one of the Lenders and that the Collateral Agent shall have no duty or liability whatsoever to the Lenders, except for its gross negligence or willful misconduct (as determined by a court of competent jurisdiction in a final and non-appealable decision).

SECTION 9.13 [Reserved].

SECTION 9.14 Administrative Agent May File Proofs of Claim. In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Loan Party, the Administrative Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, L/C Obligations and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, any Issuing Bank and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, any Issuing Bank and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders, any Issuing Bank and the Administrative Agent under Sections 2.09 and 10.04) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender and Issuing Bank to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders and relevant Issuing Banks, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Agents and their respective agents and counsel, and any other amounts due the Administrative Agent under Sections 2.09 and 10.04.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender or Issuing Bank any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or Issuing Bank or to authorize the Administrative Agent to vote in respect of the claim of any Lender or Issuing Bank in any such proceeding.

SECTION 9.15 Appointment of Supplemental Administrative Agents.

(1) It is the purpose of this Agreement and the other Loan Documents that there shall be no violation of any Law of any jurisdiction denying or restricting the right of banking corporations or associations to transact business as agent or trustee in such jurisdiction. It is recognized that in case of litigation under this Agreement or any of the other Loan Documents, and in particular in case of the enforcement of any of the Loan Documents, or in case the Administrative Agent deems that by reason of any present or future Law of any jurisdiction it may not exercise any of the rights, powers or remedies granted herein or in any of the other Loan Documents or take any other action which may be desirable or necessary in connection therewith, the Administrative Agent is hereby authorized to appoint an additional individual or institution selected by the Administrative Agent in its sole discretion as a separate trustee, co-trustee, administrative agent, collateral agent, administrativesub-agent or administrative co-agent (any such additional individual or institution being referred to herein individually as a "**Supplemental Administrative Agent**" and collectively as "**Supplemental Administrative Agents**").

(2) In the event that the Administrative Agent appoints a Supplemental Administrative Agent with respect to any Collateral, (i) each and every right, power, privilege or duty expressed or intended by this Agreement or any of the other Loan Documents to be exercised by or vested in or conveyed to the Administrative Agent with respect to such Collateral shall be exercisable by and vest in such Supplemental Administrative Agent to the extent, and only to the extent, necessary to enable such Supplemental Administrative Agent to exercise such rights, powers and privileges with respect to such Collateral and to perform such duties with respect to such Collateral, and every covenant and obligation contained in the Loan Documents and necessary to the exercise or performance thereof by such Supplemental Administrative Agent shall run to and be enforceable by either the Administrative Agent or such Supplemental Administrative Agent, and (ii) the provisions of this Article IX and of Sections 10.04 and 10.05 that refer to the Administrative Agent shall inure to the benefit of such Supplemental Administrative Agent and all references therein to the Administrative Agent shall be deemed to be references to the Administrative Agent or such Supplemental Administrative Agent, as the context may require.

(3) Should any instrument in writing from any Loan Party be reasonably required by any Supplemental Administrative Agent so appointed by the Administrative Agent for more fully and certainly vesting in and confirming to him or it such rights, powers, privileges and duties, the Borrower shall, or shall cause such Loan Party to, execute, acknowledge and deliver any and all such instruments reasonably acceptable to it promptly upon request by the Administrative Agent. In case any Supplemental Administrative Agent, or a successor thereto, shall die, become incapable of acting, resign or be removed, all the rights, powers, privileges and duties of such Supplemental Administrative Agent, to the extent permitted by Law, shall vest in and be exercised by the Administrative Agent until the appointment of a new Supplemental Administrative Agent.

SECTION 9.16 Intercreditor Agreements. The Administrative Agent and Collateral Agent are hereby authorized to enter into any Intercreditor Agreement to the extent contemplated by the terms hereof, and the parties hereto acknowledge that such Intercreditor Agreement is binding upon them. Each Lender (a) hereby agrees that it will be bound by and will take no actions contrary to the provisions of the Intercreditor Agreements, (b) hereby authorizes and instructs the Administrative Agent and Collateral Agent to enter into the Intercreditor Agreements and to subject the Liens on the Collateral securing the Obligations to the provisions thereof and (c) without any further consent of the Lenders, hereby authorizes and instructs the Administrative Agent and the Collateral Agent to negotiate, execute and deliver on behalf of the Secured Parties any intercreditor agreement or any amendment (or amendment and restatement) to the Collateral Documents or an Intercreditor Agreement contemplated hereunder. In addition, each Lender hereby authorizes the Administrative Agent and the Collateral Agent to enter into (i) any amendments to any Intercreditor Agreements, and (ii) any other intercreditor arrangements, in the case of clauses (i), and (ii) to the extent required to give effect to the establishment of intercreditor rights and privileges as contemplated and required or permitted by this Agreement. Each Lender acknowledges and agrees that any of the Administrative Agent and Collateral Agent (or one or more of their respective Affiliates) may (but are not obligated to) act as the "Debt Representative" or like term for the holders of Credit Agreement Refinancing Indebtedness under the security agreements with respect thereto or any Intercreditor Agreement then in effect. Each Lender waives any conflict of interest, now contemplated or arising hereafter, in connection therewith and agrees not to assert against any Agent or any of its affiliates any claims, causes of action, damages or liabilities of whatever kind or nature relating thereto.

SECTION 9.17 Secured Cash Management Agreements and Secured Hedge Agreements. Except as otherwise expressly set forth herein or in any Guaranty or any Collateral Document, no Cash Management Bank or Hedge Bank that obtains the benefits of Section 8.03, any Guaranty or any Collateral by virtue of the provisions hereof or of any Guaranty or any Collateral Document shall have any right to notice of any action or to consent to, direct or object to any action hereunder or under any other Loan Document or otherwise in respect of the Collateral (including the release or impairment of any Collateral) other than in its capacity as a Lender and, in such case, only to the extent expressly provided in the Loan Documents. Notwithstanding any other provision of this Article IX to the contrary, the Administrative Agent shall not be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, Obligations arising under Secured Cash Management Agreements and Secured Hedge Agreements unless the Administrative Agent has received written notice of such Obligations, together with such supporting documentation as the Administrative Agent may request, from the applicable Cash Management Bank or Hedge Bank, as the case may be.

SECTION 9.18 Withholding Tax. To the extent required by any applicable Laws, the Administrative Agent may withhold from any payment to any Lender an amount equivalent to any applicable withholding tax. Without limiting or expanding the provisions of Section 3.01, each Lender shall indemnify and hold harmless the Administrative Agent against, and shall make payable in respect thereof within ten 10 days after demand therefor, any and all Taxes and any and all related losses, claims, liabilities and expenses (including fees, charges and disbursements of any counsel for the Administrative Agent) incurred by or asserted against the Administrative Agent by the IRS or any other Governmental Authority as a result of the failure of the Administrative Agent to properly withhold Tax from amounts paid to or for the account of such Lender for any reason (including because the appropriate form was not delivered or not properly executed, or because such Lender failed to notify the Administrative Agent of a change in circumstance that rendered the exemption from, or reduction of withholding tax ineffective). A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under this Agreement or any other Loan Document against any amount due the Administrative Agent under this Section 9.18. The agreements in this Section 9.18 shall survive the resignation or replacement of the Administrative Agent, any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all other Obligations.

ARTICLE X

Miscellaneous

SECTION 10.01 Amendments, etc.

(1) Except as otherwise set forth in this Agreement, no amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by the Borrower or any other Loan Party therefrom, shall be effective unless in writing signed by the Required Lenders (other than with respect to any amendment or waiver contemplated in clauses (g), (h) or (i) below (in the cause of clause (i), to the extent permitted by Section 2.14), which shall only require the consent of the Required Facility Lenders under the applicable Facility or Facilities) (or by the Administrative Agent with the consent of the Required Lenders) and the Borrower or the applicable Loan Party, as the case may be, and acknowledged by the Administrative Agent, and the Administrative Agent hereby agrees to acknowledge any such waiver, consent or amendment that otherwise satisfies the requirements of this Section 10.01 as promptly as possible, however, to the extent the final form of such waiver, consent or amendment has been delivered to the Administrative Agent at least one Business Day prior to the proposed effectiveness of the consents by the Lenders party thereto, the Administrative Agent shall acknowledge such waiver, consent or amendment (i) immediately, in the case of any amendment which does not require the consent of any existing Lender under this Agreement or (ii) otherwise, within two hours of the time copies of the Required Lender consents or other applicable Lender consents required by this Section 10.01 have been provided to

the Administrative Agent; and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; *provided* that no such amendment, waiver or consent shall:

(a) extend or increase the Commitment of any Lender without the written consent of such Lender (it being understood that a waiver of any condition precedent set forth in Section 4.01 or 4.02 or the waiver of any Default, mandatory prepayment or mandatory reduction of the Commitments shall not constitute an extension or increase of any Commitment of any Lender);

(b) postpone any date scheduled for, or reduce the amount of, any payment of principal or interest under Section 2.07 or 2.08 (other than pursuant to Section 2.08(2)) or any payment of fees or premiums hereunder or under any Loan Document with respect to payments to any Lender without the written consent of such Lender, it being understood that none of the following will constitute a postponement of any date scheduled for, or a reduction in the amount of, any payment of principal, interest, fees or premiums: (i) the waiver of (or amendment to the terms of) any mandatory prepayment of the Loans, (ii) the agreement, consent or waiver by the Required Revolving Lenders of interest or unused commitment fees as set forth in clause (b) of the Applicable Rate definition and (iii) any change to the definition of "First Lien Net Leverage Ratio," "Total Net Leverage Ratio," "Fixed Charge Coverage Ratio" or, in each case, in the component definitions thereof;

(c) reduce the principal of, or the rate of interest specified herein on, any Loan or L/C Borrowing, or (subject to clause (III) of the proviso immediately succeeding clause (i) of this Section 10.01(1)) any fees or other amounts payable hereunder or under any other Loan Document to any Lender without the written consent of such Lender, it being understood that none of the following will constitute a reduction in any rate of interest: (i) any change to the definition of "First Lien Net Leverage Ratio," "Total Net Leverage Ratio," "Fixed Charge Coverage Ratio," or, in each case, in the component definitions thereof and (ii) the agreement, consent or waiver by the Required Revolving Lenders of interest or unused commitment fees as set forth in clause (b) of the Applicable Rate definition; *provided* that only the consent of (A) the Required Lenders shall be necessary to amend the definition of "Default Rate," (B) the Required Lenders or, with respect to any Default Rate payable pursuant to clause (b) of the Applicable Rate definition, the Required Revolving Lenders with respect to the Revolving Facility will be necessary to waive any obligation of the Borrower to pay interest at the Default Rate and (C) the Swing Line Lender with respect to the Swing Line Facility shall be necessary to waive any obligation to pay interest at the Default Rate;

(d) except as contemplated by clause (C) in the second proviso immediately succeeding clause (i) of this Section 10.01(1), change any provision of this Section 10.01 or the definition of "Required Lenders" or "Required Facility Lenders," "Pro Rata Share" or any other provision specifying the number of Lenders or portion of the Loans or Commitments required to take any action under the Loan Documents, without the written consent of each Lender directly and adversely affected thereby or change the definition of "Required Revolving Lenders" without the consent of each Revolving Lender;

(e) other than in a transaction permitted under Section 7.03 or Section 7.04, release all or substantially all of the Collateral in any transaction or series of related transactions, without the written consent of each Lender; or

(f) other than in a transaction permitted under Section 7.03 or Section 7.04, release all or substantially all of the aggregate value of the Guaranty, without the written consent of each Lender;

(g) amend, waive or otherwise modify any term or provision (including the waiver of any conditions set forth in Section 4.02 as to any Credit Extension under one or more Revolving Facilities) which directly affects Lenders under one or more Revolving Facilities and does not directly affect Lenders under any other Facilities, in each case, without the written consent of the Required Revolving Lenders under such applicable Revolving Facility or Facilities with respect to Revolving Commitments (and in the case of multiple Facilities which are affected, such Required Revolving Lenders shall consent together as one Facility); *provided*, *however*, that the waivers described in this clause (g) shall not require the consent of any Lenders other than the Required Revolving Lenders under the applicable Revolving Facility or Facilities (it being understood that any amendment to the conditions of effectiveness of Incremental Commitments set forth in Section 2.14 shall be subject to clause (i) below);

(h) amend, waive or otherwise modify the Financial Covenant or any definition related thereto (solely in respect of the use of such defined terms in the Financial Covenant) or waive any Default or Event

of Default resulting from a failure to perform or observe the Financial Covenant without the written consent of the Required Revolving Lenders under the applicable Revolving Facility or Facilities with respect to Revolving Commitments (such Required Revolving Lenders shall consent together as one Facility); *provided*, *however*, that the amendments, waivers and other modifications described in this clause (h) shall not require the consent of any Lenders other than the Required Revolving Lenders under the applicable Revolving Facility or Facilities;

(i) amend, waive or otherwise modify any term or provision (including the availability and conditions to funding under Section 2.14 with respect to Incremental Term Loans and Incremental Revolving Commitments and the rate of interest applicable thereto) which directly affects Lenders of one or more Incremental Term Loans or Incremental Revolving Commitments and does not directly affect Lenders under any other Facility, in each case, without the written consent of the Required Revolving Lenders under such applicable Incremental Term Loans or Incremental Revolving Commitments (and in the case of multiple Facilities which are affected, such Required Revolving Lenders shall consent together as one Facility); *provided*, *however*, that, to the extent permitted under Section 2.14, the waivers described in this clause (i) shall only require the consent of the Required Revolving Lenders under such applicable Incremental Term Loans or Incremental Revolving Commitments;

provided that:

(I) no amendment, waiver or consent shall, unless in writing and signed by each Issuing Bank in addition to the Lenders required above, affect the rights or duties of such Issuing Bank under this Agreement or any Issuing Bank Document relating to any Letter of Credit issued or to be issued by it; *provided*, *however*, that this Agreement may be amended to adjust the mechanics related to the issuance of Letters of Credit, including mechanical changes relating to the existence of multiple Issuing Banks, with only the written consent of the Administrative Agent, the applicable Issuing Bank and the Borrower so long as the obligations of the Revolving Lenders, if any, who have not executed such amendment, and if applicable the other Issuing Banks, if any, who have not executed such amendment, are not adversely affected thereby;

(II) no amendment, waiver or consent shall, unless in writing and signed by the Swing Line Lender in addition to the Lenders required above, affect the rights or duties of the Swing Line Lender under this Agreement; provided, however, that this Agreement may be amended to adjust the borrowing mechanics related to Swing Line Loans with only the written consent of the Administrative Agent, the Swing Line Lender and the Borrower so long as the obligations of the Revolving Lenders, if any, who have not executed such amendment, are not adversely affected thereby;

(III) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders required above, affect the rights or duties of, or any fees or other amounts payable to, the Administrative Agent under this Agreement or any other Loan Document;

(IV) Section 10.07(g) may not be amended, waived or otherwise modified without the consent of each Granting Lender all or any part of whose Loans are being funded by an SPC at the time of such amendment, waiver or other modification;

(V) the consent of the Required Revolving Lenders or Required Facility Lenders, as applicable, shall be required with respect to any amendment that by its terms adversely affects the rights of Lenders under any Facility in respect of payments hereunder in a manner different than such amendment affects other Facilities; and

(VI) the consent of the Required Revolving Lenders (but without the consent of other Lenders, including the Required Lenders or Required Facility Lenders) shall be required to amend, waive or otherwise modify any provision of clause (b) of the definition of "Applicable Rate" that provides for an agreement, consent or waiver by the Required Revolving Lenders;

provided further that notwithstanding the foregoing:

(A) no Defaulting Lender shall have any right to approve or disapprove of any amendment, waiver or consent hereunder (and any amendment, waiver or consent which by its terms requires the consent of all Lenders, the

Required Lenders, the Required Facility Lenders, the Required Revolving Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than Defaulting Lenders), except that the Revolving Commitment of any Defaulting Lender may not be increased or extended without the consent of such Defaulting Lender (it being understood that any Commitments or Loans held or deemed held by any Defaulting Lender shall be excluded for a vote of the Lenders hereunder requiring any consent of the Lenders);

(B) no Lender consent is required to effect any amendment or supplement to any Intercreditor Agreement (i) that is for the purpose of adding the holders of Permitted Incremental Equivalent Debt, Credit Agreement Refinancing Indebtedness or any other Permitted Indebtedness that is Secured Indebtedness (or a Debt Representative with respect thereto) as parties thereto, as expressly contemplated by the terms of such Intercreditor Agreement, as applicable (it being understood that any such amendment, modification or supplement may make such other changes to the applicable Intercreditor Agreement as, in the good faith determination of the Administrative Agent, are required to effectuate the foregoing and provided that such other changes are not adverse, in any material respect, to the interests of the Lenders) or (ii) that is expressly contemplated by any Intercreditor Agreement; *provided further* that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent or the Collateral Agent hereunder or under any other Loan Document without the prior written consent of the Administrative Agent or the Collateral Agent, as applicable;

(C) this Agreement may be amended (or amended and restated) with the written consent of the Required Lenders, the Administrative Agent and the Borrower (i) to add one or more additional credit facilities to this Agreement and to permit the extensions of credit from time to time outstanding thereunder and the accrued interest and fees in respect thereof to share ratably in the benefits of this Agreement and the other Loan Documents with the Term Loans, the Revolving Loans, the Swing Line Loans and L/C Obligations and the accrued interest and fees in respect thereof and (ii) to include appropriately the Lenders holding such credit facilities in any determination of the Required Lenders;

(D) any waiver, amendment or modification of this Agreement that by its terms affects the rights or duties under this Agreement of Lenders holding Loans or Commitments of a particular Class (but not the Lenders holding Loans or Commitments of any other Class) may be effected by an agreement or agreements in writing entered into by the Borrower and the requisite percentage in interest of the affected Class of Lenders that would be required to consent thereto under this Section 10.01 if such Class of Lenders were the only Class of Lenders hereunder at the time;

(E) any provision of this Agreement or any other Loan Document may be amended by an agreement in writing entered into by the Borrower and the Administrative Agent to cure any ambiguity, omission, defect or inconsistency (including amendments, supplements or waivers to any of the Collateral Documents, guarantees, intercreditor agreements or related documents executed by any Loan Party or any other Subsidiary in connection with this Agreement if such amendment, supplement or waiver is delivered in order to cause such Collateral Documents, guarantees, intercreditor agreements or related documents to be consistent with this Agreement and the other Loan Documents) so long as, in each case, the Lenders shall have received at least five (5) Business Days' prior written notice thereof and the Administrative Agent shall not have received, within five (5) Business Days of the date of such notice to the Lenders, a written notice from the Required Lenders stating that the Required Lenders object to such amendment; *provided* that the consent of the Lenders or the Required Lenders, as the case may be, shall not be required to make any such changes necessary to be made in connection with any borrowing of Incremental Loans, any borrowing of Refinancing Loans, any Extension or any borrowing of Replacement Loans and otherwise to effect the provisions of Section 2.14, 2.15 or 2.16 or the immediately succeeding paragraph of this Section 10.01, respectively;

(F) the Borrower and the Administrative Agent may, without the input or consent of the other Lenders, (i) effect changes to any Mortgage as may be necessary or appropriate in the opinion of the Collateral Agent and (ii) effect changes to this Agreement that are necessary and appropriate to effect the offering process set forth in Section 2.05(1)(e).

(2) In addition, notwithstanding anything to the contrary in this Section 10.01, this Agreement may be amended with the written consent of the Administrative Agent, the Borrower and the Lenders providing the Replacement Loans (as defined below) to permit the refinancing of all outstanding Term Loans of any Class ("**Replaced Loans**") with replacement term loans ("**Replacement Loans**") hereunder; *provided* that

(a) the aggregate principal amount of such Replacement Loans shall not exceed the aggregate principal amount of such Replaced Loans, *plus* accrued interest, fees, premiums (if any) and penalties thereon and reasonable fees and expenses incurred in connection with such refinancing of Replaced Loans with such Replacement Loans,

(b) the All-In Yield with respect to such Replacement Loans (or similar interest rate spread applicable to such Replacement Loans) shall not be higher than the All-In Yield for such Replaced Loans (or similar interest rate spread applicable to such Replaced Loans) immediately prior to such refinancing,

(c) the Weighted Average Life to Maturity of such Replacement Loans shall not be shorter than the Weighted Average Life to Maturity of such Replaced Loans at the time of such refinancing and

(d) all other terms (other than with respect to pricing, premiums and optional prepayment or redemption terms) applicable to such Replacement Loans shall be substantially identical to, or no less favorable taken as a whole (in each case as determined by the Borrower in its reasonable judgment) to the Lenders providing such Replacement Loans than, those applicable to such Replaced Loans, except to the extent necessary to provide for covenants and other terms applicable to any period after the Latest Maturity Date of the Loans in effect immediately prior to such refinancing (*provided* that Officer's Certificate delivered to the Administrative Agent at least five (5) Business Days prior to the incurrence of such Replacement Loans, together with a reasonably detailed description of the material terms and conditions of such Replacement Loans or drafts of the documentation relating thereto, stating that the Borrower has determined in good faith that such terms and conditions satisfy the requirement of this clause (d) shall be conclusive evidence that such terms and conditions satisfy such requirement unless the Administrative Agent notifies the Borrower within such five (5)-Business Day period that it disagrees with such determination (including a description of the basis upon which it disagrees));

provided further that each amendment to this Agreement providing for Replacement Loans may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent and the Borrower to effect the provisions of this paragraph, and for the avoidance of doubt, this paragraph shall supersede any other provisions in this Section 10.01 to the contrary.

(3) In addition, notwithstanding anything to the contrary in this Section 10.01,

(a) unless and until a Financial Covenant Cross Default has occurred and remains continuing, only the consent of the Required Revolving Lenders shall be necessary to, and upon the occurrence of a Financial Covenant Cross Default, the consent of the Required Lenders shall be necessary to (a) waive or consent to any Financial Covenant Event of Default or amend or modify the terms of, or waive or consent to any Default or Event of Default with respect to, Section 7.12 (including the related definitions as used in such Section, but not as used in other Sections of this Agreement) and no such amendment, modification, waiver or consent shall be permitted (i) without the consent of the Required Revolving Lenders (unless and until a Financial Covenant Cross Default has occurred) and (ii) without the consent of the Required Lenders (upon the occurrence and during the continuance of a Financial Covenant Cross Default) or (b) amend this sentence. Notwithstanding the foregoing, only the consent of the Required Revolving Lenders shall be necessary to (1) amend or modify the terms and provisions of Section 7.12 (in each case, whether or not a Financial Covenant Cross Default has occurred) or (2) amend this sentence,

(b) the Guaranty, the Collateral Documents and related documents executed by Holdings, the Borrower or any Restricted Subsidiaries in connection with this Agreement and the other Loan Documents may be in a form reasonably determined by the Administrative Agent and may be, together with this Agreement, amended and waived with the consent of the Administrative Agent at the request of the Borrower without the need to obtain the consent of any other Lender if such amendment or waiver is delivered in order (i) to comply with local Law or advice of local counsel, (ii) to cure ambiguities or defects or (iii) to cause the Guaranty, Collateral Documents or other document to be consistent with this Agreement and the other Loan Documents (including by adding additional parties as contemplated herein or therein) and

(c) if the Administrative Agent and the Borrower shall have jointly identified an obvious error (including, but not limited to, an incorrect cross-reference) or any error or omission of a technical or immaterial nature, in each case, in any provision of this Agreement or any other Loan Document (including, for the avoidance of doubt, any exhibit, schedule or other attachment to any Loan Document), then the Administrative Agent (acting in its sole discretion) and the Borrower or any other relevant Loan Party shall be permitted to amend such provision and such amendment shall become effective without any further action or consent of any other party to any Loan Document. Notification of such amendment shall be made by the Administrative Agent to the Lenders promptly upon such amendment becoming effective.

SECTION 10.02 Notices and Other Communications; Facsimile Copies.

(1) General. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subsection (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile as follows, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(a) if to Holdings, the Borrower or the Administrative Agent, to the address, facsimile number, electronic mail address or telephone number specified for such Person on Schedule 10.02; and

(b) if to any other Lender, to the address, facsimile number, electronic mail address or telephone number specified in its Administrative Questionnaire.

Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next succeeding Business Day for the recipient). Notices and other communications delivered through electronic communications to the extent provided in subsection (2) below shall be effective as provided in such subsection (2).

(2) Electronic Communication. Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent,*provided* that the foregoing shall not apply to notices to any Lender pursuant to Article II if such Lender, as applicable, has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, *provided* that approval of such procedures may be limited to particular notices or communications.

(3) Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), *provided* that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next succeeding Business Day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

(4) The Platform. THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM

LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD-PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall the Administrative Agent or any of its Agent-Related Persons or any Arranger (collectively, the "**Agent Parties**") have any liability to Holdings, the Borrower, any Lender, or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of the Borrower's or the Administrative Agent's transmission of Borrower Materials through the Internet, except to the extent that such losses, claims, damages, liabilities or expenses are determined by a court of competent jurisdiction by a final and non-appealable judgment to have resulted from the gross negligence, bad faith or willful misconduct of such Agent Party; *provided*, *however*, that in no event shall any Agent Party have any liability to Holdings, the Borrower, any Lender or any other Person for indirect, special, incidental, consequential or punitive damages (as opposed to direct or actual damages).

(5) Change of Address. Each Loan Party and the Administrative Agent may change its address, facsimile or telephone number for notices and other communications hereunder by written notice to the other parties hereto. Each other Lender may change its address, facsimile or telephone number for notices and other communications hereunder by written notice to the Borrower and the Administrative Agent. In addition, each Lender agrees to notify the Administrative Agent from time to time to ensure that the Administrative Agent has on record (i) an effective address, contact name, telephone number, facsimile number and electronic mail address to which notices and other communications may be sent and (ii) accurate wire instructions for such Lender. Furthermore, each Public Lender agrees to cause at least one individual at or on behalf of such Public Lender to at all times have selected the "Private Side Information" or similar designation on the content declaration screen of the Platform in order to enable such Public Lender or its delegate, in accordance with such Public Lender's compliance procedures and applicable Law, including United States Federal and state securities Laws, to make reference to Borrower Materials that are not made available through the "Public Side Information" portion of the Platform and that may contain material non-public information with respect to the Borrower or its securities for purposes of United States Federal or state securities laws.

(6) Reliance by the Administrative Agent. The Administrative Agent and the Lenders shall be entitled to rely and act upon any notices (including telephonic Committed Loan Notices) purportedly given by or on behalf of the Borrower even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Borrower shall indemnify the Administrative Agent, each Lender and the Agent-Related Persons of each of them from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of the Borrower. All telephonic notices to and other telephonic communications with the Administrative Agent may be recorded by the Administrative Agent, and each of the parties hereto hereby consents to such recording.

SECTION 10.03 No Waiver; Cumulative Remedies. No failure by any Lender or the Administrative Agent to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder or under any other Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided, and provided under each other Loan Document, are cumulative and not exclusive of any rights, remedies, powers and privileges provided by Law.

Notwithstanding anything to the contrary contained herein or in any other Loan Document, the authority to enforce rights and remedies hereunder and under the other Loan Documents against the Loan Parties or any of them shall be vested exclusively in, and all actions and proceedings at law in connection with such enforcement shall be instituted and maintained exclusively by, the Administrative Agent in accordance with Section 8.02 for the benefit of all the Lenders; *provided*, *however*, that the foregoing shall not prohibit (a) the Administrative Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as Administrative Agent) hereunder and under the other Loan Documents, (b) any Issuing Bank or Swing Line Lender from exercising the rights and remedies that inure to its benefit (solely in its capacity as Issuing Bank or

Swing Line Lender, as the case may be) hereunder and under the other Loan Documents, (c) any Lender from exercising setoff rights in accordance with Section 10.10 (subject to the terms of Section 2.13), or (d) any Lender from filing proofs of claim or appearing and filing pleadings on its own behalf during the pendency of a proceeding relative to any Loan Party under any Debtor Relief Law; and *provided further* that if at any time there is no Person acting as Administrative Agent hereunder and under the other Loan Documents, then (i) the Required Lenders shall have the rights otherwise ascribed to the Administrative Agent pursuant to Section 8.02 and (ii) in addition to the matters set forth in clauses (b), (c) and (d) of the preceding proviso and subject to Section 2.13, any Lender may, with the consent of the Required Lenders, enforce any rights and remedies available to it and as authorized by the Required Lenders.

SECTION 10.04 Costs and Expenses. The Borrower agrees (a) if the Closing Date occurs, to pay or reimburse the Administrative Agent and the Arrangers for all reasonable and documented out-of-pocket costs and expenses of the Administrative Agent and the Arrangers (promptly following a written demand therefor, together with backup documentation supporting such reimbursement request) incurred in connection with the preparation, negotiation, syndication, execution, delivery and administration of this Agreement and the other Loan Documents and any amendment, waiver, consent or other modification of the provisions hereof and thereof (whether or not the transactions contemplated thereby are consummated), and the consummation and administration of the transactions contemplated hereby and thereby, including all Attorney Costs of Davis Polk & Wardwell LLP and, if necessary, a single local counsel in each relevant material jurisdiction, and (b) upon presentation of a summary statement, together with any supporting documentation reasonably requested by the Borrower, to pay or reimburse the Administrative Agent, each Issuing Bank, the Swing Line Lender and the other Lenders, taken as a whole, promptly following a written demand therefor for all reasonable and documented out-of-pocket costs and expenses incurred in connection with the enforcement of any rights or remedies under this Agreement or the other Loan Documents (including all such costs and expenses incurred during any legal proceeding, including any proceeding under any Debtor Relief Law, and including all Attorney Costs of one counsel to the Administrative Agent and the Lenders taken as a whole (and, if necessary, one local counsel in any relevant material jurisdiction and solely in the case of a conflict of interest, one additional counsel in each relevant jurisdiction to each group of affected Lenders similarly situated taken as a whole)). The agreements in this Section 10.04 shall survive the termination of the Aggregate Commitments and repayment of all other Obligations. All amounts due under this Section 10.04 shall be paid promptly following receipt by the Borrower of an invoice relating thereto setting forth such expenses in reasonable detail. If any Loan Party fails to pay when due any costs, expenses or other amounts payable by it hereunder or under any Loan Document, such amount may be paid on behalf of such Loan Party by the Administrative Agent in its sole discretion.

SECTION 10.05 Indemnification by the Borrower. The Borrower shall indemnify and hold harmless the Agents, each Issuing Bank, the Swing Line Lender, each other Lender, the Arrangers and their respective Related Persons (collectively, the "**Indemnitees**") from and against any and all losses, claims, damages, liabilities or expenses (including Attorney Costs and Environmental Liabilities) to which any such Indemnitee may become subject arising out of, resulting from or in connection with (but limited, in the case of legal fees and expenses, to the reasonable and documented out-of-pocket fees, disbursements and other charges of one counsel to all Indemnitees taken as a whole and, if reasonably necessary, a single local counsel for all Indemnitees taken as a whole in each relevant jurisdiction, and solely in the case of a conflict of interest, one additional counsel in each relevant jurisdiction to each group of affected Indemnitees similarly situated taken as a whole) any (i) actual or threatened claim, litigation, investigation, proceeding or Environmental Liabilities relating to the Transactions or (ii) to the execution, delivery, enforcement, performance and administration of this Agreement, the other Loan Documents, the Loans or the use, or proposed use of the proceeds therefrom, whether based on contract, tort or any other theory (including any investigation of, preparation for, or defense of any pending or threatened claim, litigation, investigation or proceeding), and regardless of whether any Indemnitee is a party thereto (all the foregoing, collectively, the "**Indemnified Liabilities**"); *provided* that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or expenses resulted from (x) the gross negligence, bad faith or willful misconduct of such Indemnitee or any of its Related Indemnified Persons as determined by a final, non-appealable judgment of a court of competent jurisdiction, (y) a material breach of any obligations under any Loan Document by such Indemnitee or any of its Related Indemnified Persons as determined by a final, non-appealable judgment of a court of competent jurisdiction or (z) any dispute solely among Indemnitees other than any claims against an Indemnitee in its capacity or in fulfilling its role as an administrative agent or arranger or any similar role under any Loan Document and other than any claims arising out of any act or

omission of the Borrower or any of their Affiliates (as determined by a final, non-appealable judgment of a court of competent jurisdiction). To the extent that the undertakings to indemnify and hold harmless set forth in this Section 10.05 may be unenforceable in whole or in part because they are violative of any applicable law or public policy, the Borrower shall contribute the maximum portion that they are permitted to pay and satisfy under applicable law to the payment and satisfaction of all Indemnified Liabilities incurred by the Indemnitees or any of them. No Indemnitee shall be liable for any damages arising from the use by others of any information or other materials obtained through IntraLinks or other similar information transmission systems in connection with this Agreement (except to the extent such damages are found in a final non-appealable judgment of a court of competent jurisdiction to have resulted from the willful misconduct, bad faith or gross negligence of such Indemnitee), nor shall any Indemnitee or any Loan Party have any liability for any special, punitive, indirect or consequential damages relating to this Agreement or any other Loan Document or arising out of its activities in connection herewith or therewith (whether before or after the Closing Date) (other than, in the case of any Loan Party, in respect of any such damages incurred or paid by an Indemnitee to a third party for which such Indemnitee is otherwise entitled to indemnification pursuant to this Section 10.05). In the case of an investigation, litigation or other proceeding to which the indemnity in this Section 10.05 applies, such indemnity shall be effective whether or not such investigation, litigation or proceeding is brought by any Loan Party, its directors, stockholders or creditors or an Indemnitee or any other Person, whether or not any Indemnitee is otherwise a party thereto and whether or not any of the transactions contemplated hereunder or under any of the other Loan Documents is consummated. All amounts due under this Section 10.05 shall be paid within twenty (20) Business Days after written demand therefor. The agreements in this Section 10.05 shall survive the resignation of the Administrative Agent, the replacement of any Lender, the termination of the Aggregate Commitments and the repayment, satisfaction or discharge of all the other Obligations. This Section 10.05 shall not apply to Taxes, except any Taxes that represent losses or damages arising from any non-Tax claim. Notwithstanding the foregoing, each Indemnitee shall be obligated to refund and return promptly any and all amounts paid by the Borrower, Holdings, the Investors or any of their Affiliates under this Section 10.05 to such Indemnitee for any such fees, expenses or damages to the extent such Indemnitee is not entitled to payment of such amounts in accordance with the terms hereof.

SECTION 10.06 Marshaling; Payments Set Aside. None of the Administrative Agent or any Lender shall be under any obligation to marshal any assets in favor of the Loan Parties or any other party or against or in payment of any or all of the Obligations. To the extent that any payment by or on behalf of the Borrower is made to any Agent or any Lender, or any Agent or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by such Agent or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender severally agrees to pay to the Administrative Agent upon demand its applicable share of any amount so recovered from or repaid by any Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the applicable Overnight Rate from time to time in effect.

SECTION 10.07 Successors and Assigns.

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and registered assigns permitted hereby, except that neither Holdings nor the Borrower may, except as permitted by Section 7.03, assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder (including to existing Lenders and their Affiliates) except (i) to an Eligible Assignee and (A) in the case of any Eligible Assignee that, immediately prior to or upon giving effect to such assignment, is an Affiliated Lender, in accordance with the provisions of Section 10.07(h), (B) in the case of any Eligible Assignee that is Holdings, the Borrower or any Subsidiary thereof, in accordance with the provisions of Section 10.07(l), or (C) in the case of any Eligible Assignee that, immediately prior to or upon giving effect to such assignment, is a Debt Fund Affiliate, in accordance with the provisions of Section 10.07(k), (ii) by way of participation in accordance with the provisions of Section 10.07(d), or (iii) by way of pledge or assignment of a security interest subject to the restrictions of Section 10.07(f), or (iv) to an SPC in accordance with the provisions of Section 10.07(g) (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon

any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in Section 10.07(d) and, to the extent expressly contemplated hereby, Related Persons of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans (including for purposes of this Section 10.07(b), participations in L/C Obligations and Swing Line Loans) at the time owing to it); *provided* that any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and the Loans at the time owing to it or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in subsection (b)(i)(A) of this Section 10.07, the aggregate amount of the Commitment or, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment, determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date, shall not be less than $1.0 million, in the case of Term Loans, and not less than $2.5 million, in the case of Revolving Loans and Revolving Commitments, unless each of the Administrative Agent and, so long as no Event of Default under Section 8.01(1) or, solely with respect to the Borrower, Section 8.01(6) has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed); *provided*, *however*, that concurrent assignments to members of an Assignee Group and concurrent assignments from members of an Assignee Group to a single Eligible Assignee (or to an Eligible Assignee and members of its Assignee Group) will be treated as a single assignment for purposes of determining whether such minimum amount has been met.

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loans or the Commitment assigned.

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by Section 10.07(b)(i)(B) and, in addition:

(A) the consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (1) an Event of Default under Section 8.01(1) or, solely with respect to the Borrower, Section 8.01(6) has occurred and is continuing at the time of such assignment determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if a "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date or (2) in respect of an assignment of all or a portion of the Term Loans only, such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; *provided* that the Borrower shall be deemed to have consented to any assignment of all or a portion of the Term Loans unless it shall have objected thereto by written notice to the Administrative Agent within ten (10) Business Days after having received notice of a failure to respond to such request for assignment; *provided further* that no consent of the Borrower shall be required for an assignment of all or a portion of the Loans pursuant to Section 10.07(h), (k) or (l);

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required if such assignment is to a Person that is not a Lender, an Affiliate of such Lender or an Approved Fund with respect to such Lender; *provided* that no consent of the Administrative Agent shall be required for an assignment (i) of all or a portion of the Loans pursuant to Section 10.07(g), (h), (k) or (l), or (ii) from an Agent to its Affiliate;

(C) the consent of each Issuing Bank (such consent not to be unreasonably withheld or delayed) shall be required at the time of such assignment; *provided* that no consent of the Issuing Banks shall be required for any assignment not related to Revolving Commitments or Revolving Exposure or any assignment to an Agent or an Affiliate of an Agent; and

(D) the consent of the Swing Line Lender (such consent not to be unreasonably withheld or delayed) shall be required; *provided* that no consent of a Swing Line Lender shall be required for any assignment not related to Revolving Commitments or Revolving Exposure or any assignment to an Agent or an Affiliate of an Agent.

(iv) Assignment and Assumption. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption via an electronic settlement system acceptable to the Administrative Agent (or, if previously agreed with the Administrative Agent, manually), and shall pay to the Administrative Agent a processing and recordation fee of $3,500 (which fee may be waived or reduced in the sole discretion of the Administrative Agent). Other than in the case of assignments pursuant to Section 10.07(l), the Eligible Assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(v) No Assignments to Certain Persons. No such assignment shall be made (A) to Holdings, the Borrower or any of its Subsidiaries except as permitted under Section 2.05(1)(e), (B) subject to Sections 10.07(h), (k) and (l) below, to any Affiliate of the Borrower, (C) to a natural person or (D) to any Disqualified Institution.

This Section 10.07(b) shall not prohibit any Lender from assigning all or a portion of its rights and obligations among separate Facilities on a non-pro rata basis among such Facilities.

In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or sub participations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the applicable Pro Rata Share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent or any Lender hereunder (and interest accrued thereon) and (y) acquire (and fund as appropriate) its full Pro Rata Share of all Loans and participations in Letters of Credit and Swing Line Loans in accordance with its Pro Rata Share. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable Law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to clause (c) of this Section 10.07 (and, in the case of an Affiliated Lender or a Person that, after giving effect to such assignment, would become an Affiliated Lender, to the requirements of clause (h) of this Section 10.07), from and after the effective date specified in each Assignment and Assumption, other than in connection with an assignment pursuant to Section 10.07(l), (x) the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and (y) the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 3.01, 3.04, 3.05, 10.04 and 10.05 with respect to facts and circumstances occurring prior to the effective date of such assignment), but shall in any event continue to be subject to Section 10.09. Upon request, and the surrender by the assigning Lender of its

Note, the Borrower (at its expense) shall execute and deliver a Note to the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with Section 10.07(d).

(c) The Administrative Agent, acting solely for this purpose as an agent of the Borrower, shall maintain at the Administrative Agent's Office a copy of each Assignment and Assumption delivered to it, each Affiliated Lender Assignment and Assumption delivered to it, each notice of cancellation of any Loans delivered by the Borrower pursuant to subsections (h) or (l) below, and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and related interest amounts) of the Loans, L/C Obligations (specifying Unreimbursed Amounts), L/C Borrowings and amounts due under Section 2.03, owing to each Lender pursuant to the terms hereof from time to time (the "**Register**"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Agents and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower, any Agent and, with respect to its own Loans, any Lender, at any reasonable time and from time to time upon reasonable prior notice. This Section 10.07(3) and Section 2.11 shall be construed so that all Loans are at all times maintained in "registered form" within the meaning of Sections 163(f), 871(h)(2) and 881(c)(2) of the Code and any related Treasury regulations (or any other relevant or successor provisions of the Code or of such Treasury regulations). Notwithstanding the foregoing, in no event shall the Administrative Agent be obligated to ascertain, monitor or inquire as to whether any Lender is an Affiliated Lender, nor shall the Administrative Agent be obligated to monitor the aggregate amount of the Term Loans or Incremental Term Loans held by Affiliated Lenders.

(d) Any Lender may at any time, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to any Person (other than a natural person, the Borrower or any Affiliate or Subsidiary of the Borrower or a Disqualified Institution) (each, a "**Participant**") in all or a portion of such Lender's rights or obligations under this Agreement (including all or a portion of its Commitment or the Loans (including such Lender's participations in L/C Obligations or Swing Line Loans) owing to it); *provided* that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Agents and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and the other Loan Documents and to approve any amendment, modification or waiver of any provision of this Agreement or any other Loan Document; *provided* that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in the first proviso to Section 10.01 (other than clauses (d), (g),(h) and (i) thereof) that directly affects such Participant. Subject to subsection (e) of this Section 10.07, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 3.01 (subject to the requirements of Section 3.01 (including subsections (2), (3) and (4), as applicable as though it were a Lender)), 3.04 and 3.05 (through the applicable Lender) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to subsection (b) of this Section 10.07. To the extent permitted by applicable Law, each Participant also shall be entitled to the benefits of Section 10.10 as though it were a Lender; *provided* that such Participant agrees to be subject to Section 2.13 as though it were a Lender.

(e) Limitations upon Participant Rights. A Participant shall not be entitled to receive any greater payment under Section 3.01, 3.04 or 3.05 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent. Each Lender that sells a participation shall (acting solely for this purpose as a non-fiduciary agent of the Borrower) maintain a register complying with the requirements of Sections 163(f), 871(h) and 881(c)(2) of the Code and the Treasury regulations issued thereunder on which is entered the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under this Agreement (the "**Participant Register**"). The entries in the Participant Register shall be conclusive absent manifest error, and such Lender and the Borrower shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary; *provided* that no Lender shall have the obligation to disclose all or a portion of the Participant Register (including the identity of the Participant or any information relating to a

Participant's interest in any commitments, loans, letters of credit or other obligations under any Loan Document) to any Person except to the extent such disclosure is necessary to establish that any such commitments, loans, letters of credit or other obligations are in registered form for U.S. federal income tax purposes. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(f) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under its Note, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank or any other central bank; *provided* that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(g) Notwithstanding anything to the contrary contained herein, any Lender (a "**Granting Lender**") may grant to a special purpose funding vehicle identified as such in writing from time to time by the Granting Lender to the Administrative Agent and the Borrower (an "**SPC**") the option to provide all or any part of any Loan that such Granting Lender would otherwise be obligated to make pursuant to this Agreement; *provided* that (i) nothing herein shall constitute a commitment by any SPC to fund any Loan, (ii) if an SPC elects not to exercise such option or otherwise fails to make all or any part of such Loan, the Granting Lender shall be obligated to make such Loan pursuant to the terms hereof and (iii) such SPC and the applicable Loan or any applicable part thereof shall be appropriately reflected in the Participant Register. Each party hereto hereby agrees that (i) neither the grant to any SPC nor the exercise by any SPC of such option shall increase the costs or expenses or otherwise increase or change the obligations of the Borrower under this Agreement (including its obligations under Section 3.01, 3.04 or 3.05), (ii) no SPC shall be liable for any indemnity or similar payment obligation under this Agreement for which a Lender would be liable, and (iii) the Granting Lender shall for all purposes, including the approval of any amendment, waiver or other modification of any provision of any Loan Document, remain the Lender hereunder. The making of a Loan by an SPC hereunder shall utilize the Commitment of the Granting Lender to the same extent, and as if, such Loan were made by such Granting Lender. Notwithstanding anything to the contrary contained herein, any SPC may (i) with notice to, but without prior consent of the Borrower and the Administrative Agent and with the payment of a processing fee of $3,500 (which processing fee may be waived by the Administrative Agent in its sole discretion), assign all or any portion of its right to receive payment with respect to any Loan to the Granting Lender and (ii) disclose on a confidential basis any non-public information relating to its funding of Loans to any rating agency, commercial paper dealer or provider of any surety or Guarantee or credit or liquidity enhancement to such SPC.

(h) Any Lender may at any time, assign all or a portion of its rights and obligations with respect to Loans and Commitments under this Agreement to a Person who is or will become, after such assignment, an Affiliated Lender through (x) Dutch auctions or other offers to purchase or take by assignment open to all Lenders on a pro rata basis in accordance with procedures of the type described in Section 2.05(1)(e) or (y) open market purchase on a non-pro rata basis, in each case subject to the following limitations:

(i) Affiliated Lenders will not receive information provided solely to Lenders by the Administrative Agent or any Lender and will not be permitted to attend or participate in conference calls or meetings attended solely by the Lenders and the Administrative Agent, other than the right to receive notices of prepayments and other administrative notices in respect of its Loans or Commitments required to be delivered to Lenders pursuant to Article II;

(ii) each Affiliated Lender that purchases any Loans or Commitments pursuant to clause (x) above will either (A) represent and warrant to the selling Lender (other than any other Affiliated Lender) that it either as of the date of any such purchase or sale, it does not possess any information that is not Public-Side Information that has not been disclosed to the Lenders generally (other than any Lender(s) that have elected not to receive such information) or (B) make a statement that such representation cannot be made;

(iii) Affiliated Lenders (other than, for the avoidance of doubt, any Debt Fund Affiliate(s)) will not be permitted to own or hold any Revolving Facility;

(iv) the aggregate principal amount of Term Loans of any Class under this Agreement held by Affiliated Lenders at the time of any such purchase or assignment shall not exceed 25% of the aggregate principal amount of Term Loans of such Class outstanding at such time under this Agreement (such percentage, the "**Affiliated Lender Cap**"); *provided* that to the extent any assignment to an Affiliated Lender would result in the aggregate principal amount of all Term Loans of any Class held by Affiliated Lenders exceeding the Affiliated Lender Cap, the assignment of such excess amount will be void *ab initio*; and

(v) the assigning Lender and the Affiliated Lender purchasing such Lender's Term Loans shall execute and deliver to the Administrative Agent an assignment agreement substantially in the form of Exhibit D-2 hereto (an "**Affiliated Lender Assignment and Assumption**").

Notwithstanding anything to the contrary contained herein, any Affiliated Lender that has purchased Term Loans pursuant to this subsection (h) may, in its sole discretion, contribute, directly or indirectly, the principal amount of such Term Loans or any portion thereof, *plus* all accrued and unpaid interest thereon, to the Borrower for the purpose of cancelling and extinguishing such Term Loans. Upon the date of such contribution, assignment or transfer, (x) the aggregate outstanding principal amount of Term Loans shall reflect such cancellation and extinguishing of the Term Loans then held by the Borrower and (y) the Borrower shall promptly provide notice to the Administrative Agent of such contribution of such Term Loans, and the Administrative Agent, upon receipt of such notice, shall reflect the cancellation of the applicable Term Loans in the Register.

Each Affiliated Lender agrees to notify the Administrative Agent and the Borrower promptly (and in any event within ten (10) Business Days) if it acquires any Person who is also a Lender, and each Lender agrees to notify the Administrative Agent and the Borrower promptly (and in any event within ten (10) Business Days) if it becomes an Affiliated Lender. The Administrative Agent may conclusively rely upon any notice delivered pursuant to the immediately preceding sentence or pursuant to clause (v) of this subsection (h) and shall not have any liability for any losses suffered by any Person as a result of any purported assignment to or from an Affiliated Lender.

(i) Notwithstanding anything in Section 10.01 or the definition of "Required Lenders," or "Required Facility Lenders" to the contrary, for purposes of determining whether the Required Lenders and Required Facility Lenders (in respect of a Class of Term Loans) have (i) consented (or not consented) to any amendment, modification, waiver, consent or other action with respect to any of the terms of any Loan Document or any departure by any Loan Party therefrom, or subject to Section 10.07(j), any plan of reorganization pursuant to the U.S. Bankruptcy Code, (ii) otherwise acted on any matter related to any Loan Document, or (iii) directed or required the Administrative Agent or any Lender to undertake any action (or refrain from taking any action) with respect to or under any Loan Document, no Affiliated Lender shall have any right to consent (or not consent), otherwise act or direct or require the Administrative Agent or any Lender to take (or refrain from taking) any such action and:

(i) all Term Loans held by any Affiliated Lenders shall be deemed to be not outstanding for all purposes of calculating whether the Required Lenders and Required Facility Lenders (in respect of a Class of Term Loans) have taken any actions; and

(ii) all Term Loans held by Affiliated Lenders shall be deemed to be not outstanding for all purposes of calculating whether all Lenders have taken any action unless the action in question affects such Affiliated Lender in a disproportionately adverse manner than its effect on other Lenders.

(j) Notwithstanding anything in this Agreement or the other Loan Documents to the contrary, each Affiliated Lender hereby agrees that, and each Affiliated Lender Assignment and Assumption shall provide a confirmation that, if a proceeding under any Debtor Relief Law shall be commenced by or against the Borrower or any other Loan Party at a time when such Lender is an Affiliated Lender, such Affiliated Lender irrevocably authorizes and empowers the Administrative Agent to vote on behalf of such Affiliated Lender with respect to the Term Loans held by such Affiliated Lender in any manner in the Administrative Agent's sole discretion, unless the Administrative Agent instructs such Affiliated Lender to vote, in which case such Affiliated Lender shall vote with respect to the Term Loans held by it as the Administrative Agent directs; *provided* that such Affiliated Lender shall be entitled to vote in accordance with its sole discretion (and not in accordance with the direction of the Administrative Agent) in connection with any plan of reorganization to the extent any such plan of reorganization proposes to treat any Obligations held by such Affiliated Lender in a disproportionately adverse manner than the proposed treatment of similar Obligations held by Term Lenders that are not Affiliated Lenders.

(k) Although any Debt Fund Affiliate(s) shall be Eligible Assignees and shall not be subject to the provisions of Section 10.07(h), (i) or (j), any Lender may, at any time, assign all or a portion of its rights and obligations with respect to Term Loans under this Agreement to a Person who is or will become, after such assignment, a Debt Fund Affiliate only through (x) Dutch auctions or other offers to purchase or take by assignment open to all Lenders on a pro rata basis in accordance with procedures of the type described in Section 2.05(1)(e) (for the avoidance of doubt, without requiring any representation as to the possession of material non-public information by such Affiliate) or (y) open market purchase on anon-pro rata basis. Notwithstanding anything in Section 10.01 or the definition of "Required Lenders" to the contrary, for purposes of determining whether the Required Lenders have (i) consented (or not consented) to any amendment, modification, waiver, consent or other action with respect to any of the terms of any Loan Document or any departure by any Loan Party therefrom, (ii) otherwise acted on any matter related to any Loan Document or (iii) directed or required the Administrative Agent or any Lender to undertake any action (or refrain from taking any action) with respect to or under any Loan Document, all Term Loans, Revolving Commitments and Revolving Loans held by Debt Fund Affiliates, in the aggregate, may not account for more than 49.9% of the Term Loans, Revolving Commitments and Revolving Loans of consenting Lenders included in determining whether the Required Lenders have consented to any action pursuant to Section 10.01.

(l) Any Lender may, so long as no Default or Event of Default has occurred and is continuing, at any time, assign all or a portion of its rights and obligations with respect to Term Loans under this Agreement to Holdings, the Borrower or any Subsidiary of the Borrower through (x) Dutch auctions or other offers to purchase open to all Lenders on a pro rata basis in accordance with procedures of the type described in Section 2.05(1)(e) or (y) open market purchases on a non-pro rata basis; *provided* that:

(i) (x) if the assignee is Holdings or a Subsidiary of the Borrower, upon such assignment, transfer or contribution, the applicable assignee shall automatically be deemed to have contributed or transferred the principal amount of such Term Loans, *plus* all accrued and unpaid interest thereon, to the Borrower; or (y) if the assignee the Borrower (including through contribution or transfers set forth in clause (x)), (a) the principal amount of such Term Loans, along with all accrued and unpaid interest thereon, so contributed, assigned or transferred to the Borrower shall be deemed automatically cancelled and extinguished on the date of such contribution, assignment or transfer, (b) the aggregate outstanding principal amount of Term Loans of the remaining Lenders shall reflect such cancellation and extinguishing of the Term Loans then held by the Borrower and (c) the Borrower shall promptly provide notice to the Administrative Agent of such contribution, assignment or transfer of such Term Loans, and the Administrative Agent, upon receipt of such notice, shall reflect the cancellation of the applicable Term Loans in the Register;

(ii) each Person that purchases any Term Loans pursuant to clause (x) of the first paragraph of this subsection (l) shall represent and warrant to the selling Term Lender (other than any Affiliated Lender) that it does not possess material non-public information with respect to the Borrower and its Subsidiaries or the securities of any of them that has not been disclosed to the Term Lenders or shall make a statement that such representation cannot be made; and

(iii) purchases of Term Loans pursuant to this subsection (l) may not be funded with the proceeds of Revolving Loans.

(m) Notwithstanding anything to the contrary contained herein, without the consent of the Borrower or the Administrative Agent, (1) any Lender may in accordance with applicable Law create a security interest in all or any portion of the Loans owing to it and the Note, if any, held by it and (2) any Lender that is a Fund may create a security interest in all or any portion of the Loans owing to it and the Note, if any, held by it to the trustee for holders of obligations owed, or securities issued, by such Fund as security for such obligations or securities; *provided* that unless and until such trustee actually becomes a Lender in compliance with the other provisions of this Section 10.07, (i) no such pledge shall release the pledging Lender from any of its obligations under the Loan Documents and (ii) such trustee shall not be entitled to exercise any of the rights of a Lender under the Loan Documents even though such trustee may have acquired ownership rights with respect to the pledged interest through foreclosure or otherwise.

SECTION 10.08 Resignation of Issuing Bank and Swing Line Lender. Notwithstanding anything to the contrary contained herein, any Issuing Bank or Swing Line Lender may, upon thirty (30) Business Days' notice to the Borrower and the Lenders, resign as an Issuing Bank or Swing Line Lender, respectively. In the event of any such resignation of an Issuing Bank or Swing Line Lender, the Borrower shall be entitled to appoint from among the Lenders willing to accept such appointment a successor Issuing Bank or Swing Line Lender hereunder; *provided* that no failure by the Borrower to appoint any such successor shall affect the resignation of the relevant Issuing Bank or Swing Line Lender, as the case may be. If an Issuing Bank resigns as an Issuing Bank, it shall retain all the rights and obligations of an Issuing Bank hereunder with respect to all Letters of Credit outstanding as of the effective date of its resignation as an Issuing Bank and all L/C Obligations with respect thereto (including the right to require the Lenders to make Base Rate Loans or fund risk participations in Unreimbursed Amounts pursuant to Section 2.03(3)). If the Swing Line Lender resigns as Swing Line Lender, it shall retain all the rights of the Swing Line Lender provided for hereunder with respect to Swing Line Loans made by it outstanding as of the effective date of such resignation, including the right to require the Lenders to make Revolving Loans or fund risk participations in outstanding Swing Line Loans pursuant to Section 2.04(3).

SECTION 10.09 Confidentiality. Each of the Agents, the Arrangers, the Lenders and each Issuing Bank agrees to maintain the confidentiality of the Information in accordance with its customary procedures (as set forth below), except that Information may be disclosed (a) to its Affiliates and to its and its Affiliates' respective partners, directors, officers, employees, legal counsel, independent auditors, agents, trustees, advisors and representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential, with such Affiliate being responsible for such Person's compliance with this Section 10.09; *provided*, *however*, that such Agent, Arranger, Lender or Issuing Bank, as applicable, shall be principally liable to the extent this Section 10.09 is violated by one or more of its Affiliates or any of its or their respective employees, directors or officers), (b) to the extent requested by any regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority, such as the National Association of Insurance Commissioners); *provided*, *however*, that each Agent, each Arranger, each Lender and each Issuing Bank agrees to seek confidential treatment with respect to any such disclosure, (c) to the extent required by applicable laws or regulations or by any subpoena or otherwise as required by applicable Law or regulation or as requested by a governmental authority; *provided* that such Agent, such Arranger, such Lender or such Issuing Bank, as applicable, agrees (x) that it will notify the Borrower as soon as practicable in the event of any such disclosure by such Person (except in connection with any request as part of a regulation examination) unless such notification is prohibited by law, rule or regulation and (y) to seek confidential treatment with respect to any such disclosure, (d) to any other party hereto, (e) subject to an agreement containing provisions at least as restrictive as those of this Section 10.09, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or any Eligible Assignee (or its agent) invited to be an Additional Lender or (ii) with the prior consent of the Borrower, any actual or prospective direct or indirect counterparty (or its advisors) to any swap or derivative transaction relating to the Borrower or any of their Subsidiaries or any of their respective obligations; *provided* that such disclosure shall be made subject to the acknowledgment and acceptance by such prospective Lender, Participant or Eligible Assignee that such Information is being disseminated on a confidential basis (on substantially the terms set forth in this paragraph or as is otherwise reasonably acceptable to the Borrower, the Agents and the Arrangers, including as set forth in any confidential information memorandum or other marketing materials) in accordance with the standard syndication process of the Agents and the Arrangers or market standards for dissemination of such type of information which shall in any event require "click through" or other affirmative action on the part of the recipient to access such confidential information, (f) for purposes of establishing a "due diligence" defense, (g) with the consent of the Borrower or (h) to the extent such Information (x) becomes publicly available other than as a result of a breach by any Person of this Section 10.09 or any other confidentiality provision in favor of any Loan Party, (y) becomes available to any Agent, any Arranger, any Lender, any Issuing Bank or any of their respective Affiliates on a nonconfidential basis from a source other than Holdings, the Borrower or any Subsidiary thereof, and which source is not known by such Agent, such Lender, such Issuing Bank or the applicable Affiliate to be subject to a confidentiality restriction in respect thereof in favor of Holdings, the Borrower or any Affiliate of the Borrower or (z) is independently developed by the Agents, the Lenders, the Issuing Banks, the Arrangers or their respective Affiliates, in each case, so long as not based on information obtained in a manner that would otherwise violate this Section 10.09.

For purposes of this Section 10.09, "**Information**" means all information received from any Loan Party or any Subsidiary thereof relating to any Loan Party or any Subsidiary or Affiliate thereof or their respective businesses, other than any such information that is available to any Agent, any Lender or any Issuing Bank on a nonconfidential basis prior to disclosure by any Loan Party or any Subsidiary thereof; it being understood that all information received from Holdings, the Borrower or any Subsidiary or Affiliate thereof after the date hereof shall be deemed confidential unless such information is clearly identified at the time of delivery as not being confidential. Any Person required to maintain the confidentiality of Information as provided in this Section 10.09 shall be considered to have complied with its obligation to do so in accordance with its customary procedures if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

Each Agent, each Arranger, each Lender and each Issuing Bank acknowledges that (a) the Information may include trade secrets, protected confidential information, or material non-public information concerning the Borrower or a Subsidiary, as the case may be, (b) it has developed compliance procedures regarding the use of such information and (c) it will handle such information in accordance with applicable Law, including United States Federal and state securities Laws and to preserve its trade secret or confidential character.

The respective obligations of the Agents, the Arrangers, the Lenders and any Issuing Bank under this Section 10.09 shall survive, to the extent applicable to such Person, (x) the payment in full of the Obligations and the termination of this Agreement, (y) any assignment of its rights and obligations under this Agreement and (z) the resignation or removal of any Agent.

SECTION 10.10 Setoff. If an Event of Default shall have occurred and be continuing, each Lender and each Issuing Bank is hereby authorized at any time and from time to time, after obtaining the prior written consent of the Administrative Agent, to the fullest extent permitted by applicable law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender or such Issuing Bank to or for the credit or the account of any Loan Party against any and all of the obligations of such Loan Party then due and payable under this Agreement or any other Loan Document to such Lender or such Issuing Bank, irrespective of whether or not such Lender or such Issuing Bank shall have made any demand under this Agreement or any other Loan Document; *provided* that in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.17 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent, the Issuing Banks, and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender and each Issuing Bank under this Section 10.10 are in addition to other rights and remedies (including other rights of setoff) that such Lender or such Issuing Bank may have. Each Lender and each Issuing Bank agrees to notify the Borrower and the Administrative Agent promptly after any such setoff and application, *provided* that the failure to give such notice shall not affect the validity of such setoff and application.

SECTION 10.11 Interest Rate Limitation. Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable Law (the "**Maximum Rate**"). If any Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to the Borrower. In determining whether the interest contracted for, charged, or received by an Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by applicable Law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

SECTION 10.12 Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic imaging (including in .pdf format) means shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 10.13 Electronic Execution of Assignments and Certain Other Documents. The words "execution," "signed," "signature," and words of like import in any Assignment and Assumption or in any amendment or other modification hereof (including waivers and consents) shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

SECTION 10.14 Survival of Representations and Warranties. All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Administrative Agent and each Lender, regardless of any investigation made by the Administrative Agent or any Lender or on their behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default at the time of any Credit Extension, and shall continue in full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied.

SECTION 10.15 Severability. If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 10.16 GOVERNING LAW.

(a) THIS AGREEMENT AND EACH OTHER LOAN DOCUMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES THEREOF THAT WOULD RESULT IN THE APPLICATION OF ANY LAW OTHER THAN THE LAW OF THE STATE OF NEW YORK.

(b) THE BORROWER, HOLDINGS, THE ADMINISTRATIVE AGENT AND EACH LENDER EACH IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK CITY IN THE BOROUGH OF MANHATTAN AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE

ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. EACH PARTY HERETO AGREES THAT THE AGENTS AND LENDERS RETAIN THE RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO BRING PROCEEDINGS AGAINST ANY LOAN PARTY IN THE COURTS OF ANY OTHER JURISDICTION IN CONNECTION WITH THE EXERCISE OF ANY RIGHTS UNDER ANY COLLATERAL DOCUMENT OR THE ENFORCEMENT OF ANY JUDGMENT.

(c) THE BORROWER, HOLDINGS, THE ADMINISTRATIVE AGENT AND EACH LENDER EACH IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN PARAGRAPH (b) OF THIS SECTION 10.16. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

SECTION 10.17 WAIVER OF RIGHT TO TRIAL BY JURY. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 10.17.

SECTION 10.18 Binding Effect. This Agreement shall become effective when it shall have been executed by the Borrower, Holdings and the Administrative Agent and the Administrative Agent shall have been notified by each Lender that each such Lender has executed it and thereafter shall be binding upon and inure to the benefit of the Borrower, Holdings, each Agent and each Lender and their respective successors and assigns.

SECTION 10.19 Lender Action. Each Lender agrees that it shall not take or institute any actions or proceedings, judicial or otherwise, for any right or remedy against any Loan Party under any of the Loan Documents or the Secured Hedge Agreements (including the exercise of any right of setoff, rights on account of any banker's lien or similar claim or other rights of self-help), or institute any actions or proceedings, or otherwise commence any remedial procedures, with respect to any Collateral or any other property of any such Loan Party, without the prior written consent of the Administrative Agent. The provision of this Section 10.19 are for the sole benefit of the Lenders and shall not afford any right to, or constitute a defense available to, any Loan Party.

SECTION 10.20 Use of Name, Logo, etc. Each Loan Party consents to the publication in the ordinary course by Administrative Agent or the Arrangers of customary advertising material relating to the financing transactions contemplated by this Agreement using such Loan Party's name, product photographs, logo or trademark. Such consent shall remain effective until revoked by such Loan Party in writing to the Administrative Agent and the Arrangers.

SECTION 10.21 USA PATRIOT Act. Each Lender that is subject to the USA PATRIOT Act and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Borrower that pursuant to the requirements of the USA PATRIOT Act, it is required to obtain, verify and record information that identifies each Loan Party, which information includes the name and address of each Loan Party and other information that will allow such Lender or the Administrative Agent, as applicable, to identify each Loan Party in accordance with the USA PATRIOT Act. The Borrower shall, promptly following a request by the Administrative Agent or any Lender, provide all documentation and other information that the Administrative Agent or such Lender requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the USA PATRIOT Act.

SECTION 10.22 Service of Process. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 10.02. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

SECTION 10.23 No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), each of the Borrower and Holdings acknowledges and agrees that (i) (A) the arranging and other services regarding this Agreement provided by the Agents and the Arrangers are arm's-length commercial transactions between the Borrower, Holdings and their respective Affiliates, on the one hand, and the Administrative Agents and the Arrangers, on the other hand, (B) each of the Borrower and Holdings has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) each of the Borrower and Holdings is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (ii) (A) each Agent, Arranger and Lender is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for the Borrower, Holdings or any of their respective Affiliates, or any other Person and (B) none of the Agents, the Arrangers nor any Lender has any obligation to the Borrower, Holdings or any of their respective Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii) the Agents, the Arrangers, the Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower, Holdings and their respective Affiliates, and none of the Agents, the Arrangers nor any Lender has any obligation to disclose any of such interests to the Borrower, Holdings or any of their respective Affiliates. To the fullest extent permitted by law, each of the Borrower and Holdings hereby waives and releases any claims that it may have against the Agents, the Arrangers or any Lender with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

SECTION 10.24 Release of Collateral and Guarantee Obligations; Subordination of Liens

(a) The Lenders and the Issuing Banks hereby irrevocably agree that the Liens granted to the Collateral Agent by the Loan Parties on any Collateral shall be automatically released (i) in full, as set forth in clause (b) below, (ii) upon the sale or other transfer of such Collateral (including as part of or in connection with any other sale or other transfer permitted hereunder) to any Person other than another Loan Party, to the extent such sale, transfer or other disposition is made in compliance with the terms of this Agreement (and the Collateral Agent may rely conclusively on a certificate to that effect provided to it by any Loan Party upon its reasonable request without further inquiry), (iii) to the extent such Collateral is comprised of property leased to a Loan Party by a Person that is not a Loan Party, upon termination or expiration of such lease, (iv) if the release of such Lien is approved, authorized or ratified in writing by the Required Lenders (or such other percentage of the Lenders whose consent may be required in accordance with Section 10.01), (v) to the extent the property constituting such Collateral is owned by any Guarantor, upon the release of such Guarantor from its obligations under the Guaranty (in accordance with the second succeeding sentence), (vi) as required by the Collateral Agent to effect any sale, transfer or other disposition of Collateral in connection with any exercise of remedies of the Collateral Agent pursuant to the Collateral Documents and (vii) to the extent such Collateral otherwise becomes Excluded Assets. Any such release shall not in any manner discharge, affect, or impair the Obligations or any Liens (other than those being released) upon (or obligations (other than those being released) of the Loan Parties in respect of) all interests retained by the Loan Parties, including the proceeds of any sale, all of which shall continue to constitute part of the Collateral except to the extent otherwise released in accordance with the provisions of the Loan Documents. Additionally, the Lenders and the Issuing Banks hereby irrevocably agree that the Guarantors shall be released from the Guaranties upon consummation of any transaction permitted hereunder resulting in such Subsidiary ceasing to constitute a Restricted Subsidiary, or otherwise becoming an Excluded Subsidiary. The Lenders and the Issuing Banks hereby authorize the Administrative Agent and the Collateral Agent, as applicable, to execute and deliver any instruments, documents, and agreements necessary or desirable to evidence and confirm the release of any Guarantor or Collateral pursuant to the foregoing provisions of this paragraph, all without the further consent or joinder of any Lender or Issuing Bank. Any representation, warranty or covenant contained in any Loan Document relating to any such released Collateral or Guarantor shall no longer be deemed to be repeated.

(b) Notwithstanding anything to the contrary contained herein or any other Loan Document, when all Obligations (other than (i) Hedging Obligations in respect of any Secured Hedge Agreements, (ii) Cash Management Obligations in respect of any Secured Cash Management Agreements, (iii) any contingent obligations not then due and (iv) the Outstanding Amount of L/C Obligations related to any Letter of Credit that has been Cash Collateralized, backstopped by a letter of credit reasonably satisfactory to the applicable Issuing Bank or deemed reissued under another agreement reasonably acceptable to the applicable Issuing Bank) have been paid in full and all Commitments have terminated, upon request of the Borrower, the Administrative Agent or Collateral Agent, as applicable, shall (without notice to, or vote or consent of, any Secured Party) take such actions as shall be required to release its security interest in all Collateral, and to release all obligations under any Loan Document, whether or not on the date of such release there may be any (i) Hedging Obligations in respect of any Secured Hedge Agreements, (ii) Cash Management Obligations in respect of any Secured Cash Management Agreements, (iii) any contingent obligations not then due and (iv) any Outstanding Amount of L/C Obligations related to any Letter of Credit that has been Cash Collateralized, backstopped by a letter of credit reasonably satisfactory to the applicable Issuing Bank or deemed reissued under another agreement reasonably acceptable to the applicable Issuing Bank. Any such release of Obligations shall be deemed subject to the provision that such Obligations shall be reinstated if after such release any portion of any payment in respect of the Obligations guaranteed thereby shall be rescinded or must otherwise be restored or returned upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Borrower or any Guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, the Borrower or any Guarantor or any substantial part of its property, or otherwise, all as though such payment had not been made.

(c) Notwithstanding anything to the contrary contained herein or in any other Loan Document, upon request of the Borrower in connection with any Liens permitted by the Loan Documents, the Administrative Agent or Collateral Agent, as applicable, shall (without notice to, or vote or consent of, any Secured Party) take such actions as shall be required to subordinate the Lien on any Collateral to any Lien permitted under Section 7.01 to be senior to the Liens in favor of the Collateral Agent.

(d) Notwithstanding the foregoing or anything in the Loan Documents to the contrary, at the direction of the Required Lenders, the Administrative Agent may, in exercising remedies, take any and all necessary and appropriate action to effectuate a credit bid of all Loans (or any lesser amount thereof) for the Borrower's assets in a bankruptcy, foreclosure or other similar proceeding, forbear from exercising remedies upon an Event of Default, or in a bankruptcy proceeding, enter into a settlement agreement on behalf of all Lenders.

SECTION 10.25 Assumption and Acknowledgment. Effective immediately after the consummation of the Merger, the execution and delivery by Life Time of a counterpart hereto and the funding of the Closing Date Loans hereunder, and without affecting any of the obligations of Holdings as a Guarantor under any Loan Document, Life Time hereby assumes all of Initial Borrower's rights, title, interests, duties, liabilities and obligations (including the Obligations) under the Loan Documents as the "Borrower" hereunder (collectively, the "**Assumption**"), including, any claims, liabilities, or obligations arising from Initial Borrower's failure to perform any of its covenants, agreements, commitments or obligations under the Loan Documents to be performed prior to the date of the Assumption. Holdings hereby acknowledges the Assumption by Life Time and its effectiveness immediately after the consummation of the Merger, the execution and delivery by Life Time of a counterpart hereto and the funding of the Closing Date Loans hereunder. Without limiting the generality of the foregoing, upon its execution and delivery of a counterpart hereto, Life Time hereby expressly agrees to observe and perform and be bound by all of the terms, covenants, representations, warranties, and agreements contained herein which are binding upon, and to be observed or performed by, the Borrower. Each Agent and each Lender hereby consents to the Assumption.

SECTION 10.26 Judgment Currency. If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder or any other Loan Document in one currency into another currency, the rate of exchange used shall be that at which in accordance with normal banking procedures the Administrative Agent could purchase the first currency with such other currency on the Business Day preceding that on which final judgment is given. The obligation of the Borrower in respect of any such sum due from it to the Administrative

Agent or the Lenders hereunder or under the other Loan Documents shall, notwithstanding any judgment in a currency (the "**Judgment Currency**") other than that in which such sum is denominated in accordance with the applicable provisions of this Agreement (the "**Agreement Currency**"), be discharged only to the extent that on the Business Day following receipt by the Administrative Agent of any sum adjudged to be so due in the Judgment Currency, the Administrative Agent may in accordance with normal banking procedures purchase the Agreement Currency with the Judgment Currency. If the amount of the Agreement Currency so purchased is less than the sum originally due to the Administrative Agent from the Borrower in the Agreement Currency, the Borrower agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Administrative Agent or the Person to whom such obligation was owing against such loss. If the amount of the Agreement Currency so purchased is greater than the sum originally due to the Administrative Agent in such currency, the Administrative Agent agrees to return the amount of any excess to the Borrower (or to any other Person who may be entitled thereto under applicable Law).

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

LTF MERGER SUB, INC. (which on the Closing Date shall be merged with and into Life Time Fitness, Inc., with Life Time Fitness, Inc. surviving such merger as the Borrower),

By: /s/ J. Kristofer Galashan
Name: J. Kristofer Galashan
Title: President and Chief Executive Officer

LTF INTERMEDIATE HOLDINGS, INC., as Holdings,

By: /s/ J. Kristofer Galashan
Name: J. Kristofer Galashan
Title: President

The undersigned hereby confirms that, as a result of its merger with LTF Merger Sub, Inc., it hereby assumes all of the rights and obligations of LTF Merger Sub, Inc. under this Agreement (in furtherance of, and not in lieu of, any assumption or deemed assumption as a matter of law) and hereby is joined to this Agreement as the Borrower thereunder.

LIFE TIME FITNESS, INC.

By: /s/ Eric Buss
Name: Eric Buss
Title Executive Vice President and Chief Financial Officer

DEUTSCHE BANK AG NEW YORK BRANCH, as Administrative Agent, Collateral Agent, Revolving Lender and Term Lender

By: /s/ Mary Kay Coyle
Name: Mary Kay Coyle
Title: Managing Director

By: /s/ Dusan Lasarov
Name: Dusan Lasarov
Title: Director

GOLDMAN SACHS BANK USA, as Revolving Lender

By: /s/ Robert Ehudin
Name: Robert Ehudin
Title: Authorized Signatory

JEFFERIES FINANCE LLC, as Revolving Lender

By: /s/ Brian Buoye
Name: Brian Buoye
Title: Managing Director

BANK OF MONTREAL, as Revolving Lender

By: /s/ Philip Langheim
Name: Philip Langheim
Title: Managing Director

ROYAL BANK OF CANADA, as Revolving Lender

By: /s/ Simone G. Vinocour McKeever
Name: Simone G. Vinocour McKeever
Title: Authorized Signatory

MIHI LLC, as Revolving Lender

By: /s/ Ayesha Farooqi
Name: Ayesha Farooqi
Title: Authorized Signatory

By: /s/ Stephen Mehos
Name: Stephen Mehos
Title: Authorized Signatory

NOMURA SECURITIES INTERNATIONAL, INC., as Revolving Lender

By: /s/ Carl Mayer
Name: Carl Mayer
Title: Managing Director

MIZUHO BANK, LTD., as Revolving Lender

By: /s/ Stephen J. Jeselson
Name: Stephen J. Jeselson
Title: Deputy General Manager

U.S. BANK NATIONAL ASSOCIATION, as Revolving Lender, Swing Line Lender and Issuing Bank

By: /s/ Mark Utlant
Name: Mark Utlant
Title: Senior Vice President

CERTAIN COLLATERAL DOCUMENTS

1. Security Agreement, to be dated as of the Closing Date and to be by and among the Initial Borrower, Holdings, the other Loan Parties party thereto and the Collateral Agent.

2. Guaranty, to be dated as of the Closing Date and to be by and among Holdings, the Initial Borrower, the other Loan Parties party thereto and the Collateral Agent.

3. Intercompany Subordination Agreement, to be dated as of the Closing Date and to be by and among the Initial Borrower, Holdings, the Administrative Agent and the other parties party thereto.

4. Perfection Certificate, to be dated as of the Closing Date and to be executed by the Initial Borrower.

COMMITMENTS

Lender	Closing Date Term Loan Commitment	Closing Date Revolving Commitment
Deutsche Bank AG New York Branch	$ 1,250,000,000	$ 67,675,000
Goldman Sachs Bank USA		$ 67,675,000
Jefferies Finance LLC		$ 28,200,000
Bank of Montreal		$ 19,750,000
Royal Bank of Canada		$ 19,750,000
MIHI LLC		$ 11,275,000
Nomura Corporate Funding Americas, LLC		$ 11,275,000
Mizuho Bank, Ltd.		$ 9,400,000
U.S. Bank National Association		$ 15,000,000
Total:	$ 1,250,000,000	$ 250,000,000

POST-CLOSING MATTERS

None.

EXHIBIT E

FORM OF GUARANTY

[See Attached]

EXHIBIT E

FORM OF GUARANTY

Dated as of

June 10, 2015

among

LTF INTERMEDIATE HOLDINGS, INC.,
as Holdings,

THE OTHER GUARANTORS PARTY HERETO FROM TIME TO TIME,

and

DEUTSCHE BANK AG NEW YORK BRANCH,
as Administrative Agent and Collateral Agent

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This GUARANTY, dated as of June 10, 2015, is among LTF Intermediate Holdings, Inc., a Delaware corporation ("**Holdings**"), the other Guarantors set forth on Schedule I hereto, each other Guarantor from time to time party hereto and DEUTSCHE BANK AG NEW YORK BRANCH, as Administrative Agent and Collateral Agent for the Secured Parties.

Reference is made to the Credit Agreement, dated as of June 10, 2015 (as amended, restated, amended and restated, refinanced, replaced, extended, supplemented or otherwise modified from time to time, the "**Credit Agreement**"), among Holdings, LTF Merger Sub, Inc., a Minnesota corporation and direct subsidiary of Holdings ("**Merger Sub**" or "**Initial Borrower**"), Deutsche Bank AG New York Branch, as Administrative Agent and as Collateral Agent under the Loan Documents, and each Lender and other party from time to time party thereto.

The Lenders have agreed to extend credit to the Borrower, the Issuing Bank has indicated its willingness to issue Letters of Credit for the account of the Borrower, the Hedge Banks have agreed to enter into or maintain one or more Secured Hedge Agreements and the Cash Management Banks have agreed to enter into or maintain Secured Cash Management Agreements, on the terms and conditions set forth in the Credit Agreement, in such Secured Hedge Agreements and in such Secured Cash Management Agreements, as applicable. The obligations of the Lenders to extend such credit, the obligations of the Issuing Bank to issue Letters of Credit, the obligations of the Hedge Banks to enter into or maintain such Secured Hedge Agreements and the obligations of the Cash Management Banks to enter into or maintain such Secured Cash Management Agreements are, in each case, conditioned upon, among other things, the execution and delivery of this Agreement by each Guarantor (as defined below). The Guarantors are Affiliates of one another and will derive substantial direct and indirect benefits from (i) the extensions of credit to the Borrower pursuant to the Credit Agreement, (ii) the issuance of Letters of Credit by the Issuing Bank in accordance with the Credit Agreement, (iii) the entering into and/or maintaining by the Hedge Banks of Secured Hedge Agreements with the Borrower or any Restricted Subsidiary and (iv) the entering into or maintaining by the Cash Management Banks of Secured Cash Management Agreements with the Borrower or any Restricted Subsidiary, and are willing to execute and deliver this Agreement in order to induce the Lenders to extend such credit, the Issuing Bank to issue such Letters of Credit, the Hedge Banks to enter into or maintain such Secured Hedge Agreements and the Cash Management Banks to enter into or maintain such Secured Cash Management Agreements. Accordingly, in consideration of the mutual covenants and agreements contained herein and in the other Loan Documents, the parties hereto agree as follows:

ARTICLE I

Definitions

Section 1.01 Credit Agreement Definitions.

(a) Terms used in this Agreement, including the preliminary statements above, and not otherwise defined herein have the meanings specified in the Credit Agreement.

(b) The rules of construction specified in Article I of the Credit Agreement also apply to this Agreement.

Section 1.02 Other Defined Terms.

As used in this Agreement, in addition to the terms defined in the preliminary statements above, the following terms have the meanings specified below:

"**Accommodation Payment**" has the meaning assigned to such term in Article III.

"**Agreement**" means this Guaranty, as amended, restated, amended and restated, supplemented or otherwise modified from time to time.

"**Allocable Amount**" has the meaning assigned to such term in Article III.

"**Guaranteed Obligations**" means the "Obligations" as defined in the Credit Agreement;*provided* that, for the avoidance of doubt, the Guaranteed Obligations will not include any Excluded Swap Obligations.

"**Guarantor Indemnified Liabilities**" has the meaning assigned to such term in Section 4.03(b).

"**Guarantors**" means, collectively, Holdings, each other Guarantor listed on Schedule I hereto and any other Person that becomes a party to this Agreement after the Closing Date pursuant to Section 4.11; *provided* that if any such Guarantor is released from its obligations hereunder as provided in Section 4.10, such Person shall cease to be a Guarantor hereunder effective upon such release.

"**Guaranty Supplement**" means an instrument substantially in the form of Exhibit I hereto.

"**Specified Loan Party**" means any Guarantor that is not a Qualified ECP Guarantor.

"**UFCA**" has the meaning assigned to such term in Article III.

"**UFTA**" has the meaning assigned to such term in Article III.

ARTICLE II

Guarantee

Section 2.01 Guarantee.

Each Guarantor irrevocably, absolutely and unconditionally guarantees, jointly with the other Guarantors and severally, as a primary obligor and not merely as a surety, the due and punctual payment and performance of the Guaranteed Obligations, in each case, whether such Guaranteed Obligations are now existing or hereafter incurred under or arising out of any Loan Document, Secured Hedge Agreement or Secured Cash Management Agreement, and whether at maturity, by acceleration or otherwise. Each of the Guarantors further agrees that the Guaranteed Obligations may be extended, increased or renewed, amended or modified, in whole or in part, without notice to, or further assent from, such Guarantor and that such Guarantor will remain bound upon its guarantee hereunder notwithstanding any such extension, increase, renewal, amendment or modification of any Guaranteed Obligation. To the fullest extent permitted by applicable Law, each of the Guarantors (i) waives promptness, presentment to, demand of payment from, and protest to, any Guarantor or any other Loan Party of any of the Guaranteed Obligations, and (ii) also waives notice of acceptance of its guarantee and notice of protest for nonpayment.

Section 2.02 Guarantee of Payment.

Each of the Guarantors further agrees that its guarantee hereunder constitutes a guarantee of payment when due (whether or not any bankruptcy or similar proceeding shall have stayed the accrual of collection of any of the Guaranteed Obligations or operated as a discharge thereof) and not of collection, and waives any right to require that any resort be had by the Administrative Agent or any other Secured Party to any security held for the payment of any of the Guaranteed Obligations, or to any balance of any deposit account or credit on the books of the Administrative Agent or any other Secured Party in favor of any other Guarantor or any other Person. The obligations of each Guarantor hereunder are independent of the obligations of any other Guarantor or the Borrower, and a separate action or actions may be brought and prosecuted against each Guarantor whether or not action is brought against any other Guarantor or the Borrower and whether or not any other Guarantor or the Borrower is joined in any such action or actions. Any payment required to be made by a Guarantor hereunder may be required by the Administrative Agent or any other Secured Party on any number of occasions.

Section 2.03 No Limitations.

(a) Except for termination or release of a Guarantor's obligations hereunder as expressly provided in Section 4.10, to the fullest extent permitted by applicable Law, the obligations of each Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason, including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to any defense or set-off, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality or unenforceability of any of the Guaranteed Obligations, any impossibility in the performance of any of the Guaranteed Obligations, or otherwise. Without limiting the generality of the foregoing, to the fullest extent permitted by applicable Law and except for termination or release of a Guarantor's obligations hereunder in accordance with the terms of Section 4.10 (but without prejudice to Section 2.04), the obligations of each Guarantor hereunder shall not be discharged, impaired or otherwise affected by (i) the failure of the Administrative Agent, any other Secured Party or any other Person to assert any claim or demand or to enforce any right or remedy under the provisions of any Loan Document or otherwise; (ii) any rescission, waiver, amendment or modification of, or any release from any of the terms or provisions of, any Loan Document or any other agreement, including with respect to any other Guarantor under this Agreement; (iii) the release of, or any impairment of any security held by the Collateral Agent or any other Secured Party for the Guaranteed Obligations; (iv) any default, failure or delay, willful or otherwise, in the performance of the Guaranteed Obligations; (v) the failure to perfect any security interest in, or the release of, any of the Collateral held by or on behalf of the Collateral Agent or any other Secured Party; (vi) any change in the corporate existence, structure or ownership of any other Loan Party, the lack of legal existence of the Borrower or any other Guarantor or legal obligation to discharge any of the Guaranteed Obligations by the Borrower or any other Guarantor for any reason whatsoever, including, without limitation, in any insolvency, bankruptcy or reorganization of any other Loan Party; (vii) the existence of any claim, set-off or other rights that any Guarantor may have at any time against the Borrower, the Administrative Agent, any other Secured Party or any other Person, whether in connection with the Credit Agreement, the other Loan Documents or any unrelated transaction; (viii) this Agreement having been determined (on whatsoever grounds) to be invalid, non-binding or unenforceable against any other Guarantor *ab initio* or at any time after the Closing Date; or (ix) any other circumstance (including statute of limitations), any act or omission that may or might in any manner or to any extent vary the risk of any Guarantor or otherwise operate as a defense to, or discharge of, the Borrower, any Guarantor or any other guarantor or surety as a matter of law or equity (in each case, other than the satisfaction of the Termination Conditions). Each Guarantor expressly authorizes the applicable Secured Parties, to the extent permitted by the Security Agreement, to take and hold security for the payment and performance of the Guaranteed Obligations, to exchange, waive or release any or all such security (with or without consideration), to enforce or apply such security and direct the order and manner of any sale thereof in their sole discretion or to release or substitute any one or more other guarantors or obligors upon or in respect of the Guaranteed Obligations all without affecting the obligations of any Guarantor hereunder. Anything contained in this Agreement to the contrary notwithstanding, the obligations of each Guarantor under this Agreement shall be limited to an aggregate amount equal to the largest amount that would not render its obligations under this Agreement subject to avoidance as a fraudulent transfer or conveyance under Section 548 of the Bankruptcy Code of the United States or any comparable provisions of any similar federal or state law.

(b) To the fullest extent permitted by applicable Law and except for termination or release of a Guarantor's obligations hereunder in accordance with the terms of Section 4.10 (but without prejudice to Section 2.04), each Guarantor waives any defense based on or arising out of any defense of the Borrower or any other Guarantor or the unenforceability of the Guaranteed Obligations or any part thereof from any cause, or the cessation from any cause of the liability of the Borrower or any other Guarantor, other than the satisfaction of the Termination Conditions. The Administrative Agent and the other Secured Parties may in accordance with the terms of the Collateral Documents, at their election, foreclose on any security held by one or more of them by one or more judicial or nonjudicial sales, accept an assignment of any such security in lieu of foreclosure, compromise or adjust any part of the Guaranteed Obligations, make any other accommodation with the Borrower or any other Guarantor or exercise any other right or remedy available to them against any other Guarantor, without affecting or impairing in any way the liability of any Guarantor hereunder except to the extent the Termination Conditions have been satisfied. To the fullest extent permitted by applicable Law, each Guarantor waives any defense arising out of any such election even though such election operates, pursuant to applicable Law, to impair or to extinguish any right of reimbursement or subrogation or other right or remedy of such Guarantor against the Borrower or any other Guarantor, as the case may be, or any security. To the fullest extent permitted by applicable Law, each Guarantor waives any and all suretyship defenses.

Section 2.04 Reinstatement.

Notwithstanding anything to the contrary contained in this Agreement, each of the Guarantors agrees that (a) its guarantee hereunder shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of any Guaranteed Obligation is rescinded or must otherwise be restored by the Administrative Agent or any other Secured Party upon the bankruptcy or reorganization (or any analogous proceeding in any jurisdiction) of the Borrower or any other Guarantor or otherwise and (b) the provisions of this Section 2.04 shall survive the termination of this Agreement.

Section 2.05 Agreement To Pay; Subrogation.

In furtherance of the foregoing and not in limitation of any other right that the Administrative Agent or any other Secured Party has at law or in equity against any Guarantor by virtue hereof, upon the failure of the Borrower or any other Guarantor to pay any Guaranteed Obligation when and as the same shall become due, whether at maturity, by acceleration, after notice of prepayment or otherwise, each Guarantor hereby promises to and will forthwith pay, or cause to be paid, to the Administrative Agent for distribution to the applicable Secured Parties in cash the amount of such unpaid Guaranteed Obligation. Upon payment by any Guarantor of any sums to the Administrative Agent as provided above, all rights of such Guarantor against the Borrower or any other Guarantor arising as a result thereof by way of right of subrogation, contribution, reimbursement, indemnity or otherwise shall in all respects be subject to Article III.

Section 2.06 Information.

Each Guarantor assumes all responsibility for being and keeping itself informed of the Borrower's and each other Guarantor's financial condition and assets, and of all other circumstances bearing upon the risk of nonpayment of the Guaranteed Obligations and the nature, scope and extent of the risks that such Guarantor assumes and incurs hereunder, and agrees that none of the Administrative Agent or the other Secured Parties will have any duty to advise such Guarantor of information known to it or any of them regarding such circumstances or risks.

Section 2.07 Keepwell.

Each Qualified ECP Guarantor hereby jointly and severally absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time by each Specified Loan Party to honor all of its obligations under this Agreement in respect of Swap Obligations (*provided*, *however*, that each Qualified ECP Guarantor shall only be liable under this Section 2.07 for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Section 2.07, or otherwise under this Agreement, as it relates to such Specified Loan Party, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations of each Qualified ECP Guarantor under this Section 2.07 shall remain in full force and effect until the Termination Conditions have been satisfied. Each Qualified ECP Guarantor intends that this Section 2.07 constitute, and this Section 2.07 shall be deemed to constitute, a "keepwell, support, or other agreement" for the benefit of each Specified Loan Party for all purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

ARTICLE III

Indemnity, Subrogation and Subordination

Upon payment by any Guarantor of any Guaranteed Obligations, all rights of such Guarantor against the Borrower or any other Guarantor arising as a result thereof by way of right of subrogation, contribution, reimbursement, indemnity or otherwise shall in all respects be subordinate and junior in right of payment to the prior payments that must be made in order for the Termination Conditions to be satisfied. If any amount shall be paid to the Borrower or any other Guarantor in violation of the restrictions in the preceding sentence on account of (i) such subrogation, contribution, reimbursement, indemnity or similar right or (ii) any such indebtedness of the Borrower or any other Guarantor, such amount shall be held in trust for the benefit of the Secured Parties and shall promptly be paid to the Administrative Agent to be credited against the payment of the Guaranteed Obligations, whether

matured or unmatured, in accordance with the terms of the Credit Agreement and the other Loan Documents. Subject to the foregoing, to the extent that any Guarantor shall, under this Agreement or the Credit Agreement as a joint and several obligor, repay any of the Guaranteed Obligations constituting Loans made to another Loan Party under the Credit Agreement (an "**Accommodation Payment**"), then the Guarantor making such Accommodation Payment shall be entitled to contribution and indemnification from, and be reimbursed by, each of the other Guarantors in an amount equal to a fraction of such Accommodation Payment, the numerator of which fraction is such other Guarantor's Allocable Amount and the denominator of which is the sum of the Allocable Amounts of all of the Guarantors; *provided* that such rights of contribution and indemnification shall be subordinated to the prior payments that must be made in order for the Termination Conditions to be satisfied. As of any date of determination, the "**Allocable Amount**" of each Guarantor shall be equal to the maximum amount of liability for Accommodation Payments which could be asserted against such Guarantor hereunder and under the Credit Agreement without (a) rendering such Guarantor "insolvent" within the meaning of Section 101 (31) of the Bankruptcy Code of the United States, Section 2 of the Uniform Fraudulent Transfer Act ("**UFTA**") or Section 2 of the Uniform Fraudulent Conveyance Act ("**UFCA**"), (b) leaving such Guarantor with unreasonably small capital or assets, within the meaning of Section 548 of the Bankruptcy Code of the United States, Section 4 of the UFTA, or Section 5 of the UFCA, or (c) leaving such Guarantor unable to pay its debts as they become due within the meaning of Section 548 of the Bankruptcy Code of the United States or Section 4 of the UFTA, or Section 5 of the UFCA.

ARTICLE IV
Miscellaneous

Section 4.01 Notices.

All communications and notices hereunder shall (except as otherwise expressly permitted herein) be in writing and given as provided in Section 10.02 of the Credit Agreement. All communications and notices hereunder to a Guarantor other than Holdings shall be given in care of the Borrower.

Section 4.02 Waivers; Amendment.

(a) No failure by any Secured Party to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder or under any other Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided, and provided under each other Loan Document, are cumulative and not exclusive of any rights, remedies, powers and privileges provided by Law. No waiver of any provision of any Loan Document or consent to any departure by any Loan Party therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section 4.02, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Administrative Agent and the Loan Party or Loan Parties with respect to which such waiver, amendment or modification is to apply, subject to any consent required in accordance with Section 10.01 of the Credit Agreement.

Section 4.03 Administrative Agent's and Collateral Agent's Fees and Expenses; Indemnification.

(a) Each Guarantor, jointly with the other Guarantors and severally, agrees to reimburse the Administrative Agent and the Collateral Agent for its reasonable and documented out-of-pocket fees and expenses incurred hereunder in accordance with, and to the extent provided under, Section 10.04 of the Credit Agreement; *provided* that each reference therein to the "Borrower" shall be deemed to be a reference to "each Guarantor."

(b) Without duplication of any amounts paid by the Borrower pursuant to Section 10.05 of the Credit Agreement, each Guarantor hereby agrees to indemnify and hold harmless the Indemnitees against any and all losses, claims, damages, liabilities or expenses (including Attorney Costs and Environmental Liability) of

any nature to which any such Indemnitee may become subject arising out of, resulting from or in connection with (but limited, in the case of legal fees and expenses, to the Attorney Costs of one counsel to all Indemnitees taken as a whole and, if reasonably necessary, a single local counsel for all Indemnitees taken as a whole in each relevant jurisdiction that is material to the interests of the Indemnitees (which may be a single local counsel acting in multiple material jurisdictions), and solely in the case of a conflict of interest between or among Indemnitees, one additional counsel in each relevant jurisdiction (which may be a single local counsel acting in multiple material jurisdictions) to each group of affected Indemnitees similarly situated taken as a whole) any actual or threatened claim, litigation, investigation or proceeding relating to this Agreement or to the execution, delivery, enforcement, performance and administration of this Agreement and the other Loan Documents, whether based on contract, tort or any other theory (including any investigation of, preparation for, or defense of any pending or threatened claim, litigation, investigation or proceeding), and regardless of whether any Indemnitee is a party thereto (all of the foregoing, collectively, the "**Guarantor Indemnified Liabilities**"); provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or expenses resulted from (x) the gross negligence, bad faith or willful misconduct of such Indemnitee or any of its Related Indemnified Persons as determined by a final, non appealable judgment of a court of competent jurisdiction, (y) a material breach of any obligations under any Loan Document by such Indemnitee or any of its Related Indemnified Persons as determined by a final, non appealable judgment of a court of competent jurisdiction or (z) any dispute solely among Indemnitees other than any claims against an Indemnitee in its capacity or in fulfilling its role as an administrative agent or arranger or any similar role under any Loan Document and other than any claims arising out of any act or omission of any Guarantor or any of their Affiliates (as determined by a final, non appealable judgment of a court of competent jurisdiction). To the extent that the undertakings to indemnify and hold harmless set forth in this Section 4.03(b) may be unenforceable in whole or in part because they are violative of any applicable law or public policy, the Guarantors shall contribute the maximum portion that they are permitted to pay and satisfy under applicable law to the payment and satisfaction of all Guarantor Indemnified Liabilities incurred by the Indemnitees or any of them. No Indemnitee shall be liable for any damages arising from the use by others of any information or other materials obtained through IntraLinks or other similar information transmission systems in connection with this Agreement (except to the extent such damages are found in a final non appealable judgment of a court of competent jurisdiction to have resulted from the willful misconduct, bad faith or gross negligence of such Indemnitee), nor shall any Indemnitee or any Guarantor have any liability for any special, punitive, indirect or consequential damages relating to this Agreement or any other Loan Document or arising out of its activities in connection herewith or therewith (whether before or after the Closing Date) (other than, in the case of any Guarantor, in respect of any such damages incurred or paid by an Indemnitee to a third party for which such Indemnitee is otherwise entitled to Indemnification pursuant to this Section 4.03(b)). In the case of an investigation, litigation or other proceeding to which the indemnity in this Section 4.03(b) applies, such indemnity shall be effective whether or not such investigation, litigation or proceeding is brought by any Guarantor, its directors, stockholders or creditors or an Indemnitee or any other Person, whether or not any Indemnitee is otherwise a party thereto and whether or not any of the transactions contemplated hereunder or under any of the other Loan Documents is consummated. All amounts due under this Section 4.03(b) shall be paid within twenty (20) Business Days after written demand therefor. The agreements in this Section 4.03(b) shall survive the resignation of the Administrative Agent, the replacement of any Lender, the termination of the Aggregate Commitments and the repayment, satisfaction or discharge of all the other Guaranteed Obligations. This Section 4.03(b) shall not apply to Taxes, except any Taxes that represent losses or damages arising from any non-Tax claim. Notwithstanding the foregoing, each Indemnitee shall be obligated to refund and return promptly any and all amounts paid by the Borrower, Holdings, or any of their Affiliates under this Section 4.03(b) to such Indemnitee for any such fees, expenses or damages to the extent such Indemnitee is not entitled to payment of such amounts in accordance with the terms hereof.

Section 4.04 Successors and Assigns.

Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the permitted successors and assigns of such party; and all covenants, promises and agreements by or on behalf of any Guarantor or any Secured Party that are contained in this Agreement shall bind and inure to the benefit of their respective permitted successors and assigns. Except in a transaction permitted under the Credit Agreement, no Guarantor may assign any of its rights or obligations hereunder without the written consent of the Administrative Agent.

Section 4.05 Representations and Warranties.

All representations and warranties made hereunder shall survive the execution and delivery hereof. Such representations and warranties have been or will be relied upon by the Administrative Agent and each other Secured Party, regardless of any investigation made by any Secured Party or on its behalf and notwithstanding that any Secured Party may have had notice or knowledge of any Default at the time of any Credit Extension, and shall continue in full force and effect until this Agreement is terminated as provided in Section 4.10 hereof, or with respect to any individual Guarantor until such Guarantor is otherwise released from its obligations under this Agreement in accordance with the terms hereof.

Section 4.06 Counterparts; Effectiveness; Several Agreement.

This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement shall become effective when it shall have been executed by the Guarantors, the Administrative Agent and the Collateral Agent and thereafter shall be binding upon and inure to the benefit of each Guarantor, the Administrative Agent, the Collateral Agent, the other Secured Parties and their respective permitted successors and assigns, subject to Section 4.04 hereof. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic imaging (including in .pdf or .tif format via electronic mail) means shall be effective as delivery of a manually executed counterpart of this Agreement. This Agreement shall be construed as a separate agreement with respect to each Guarantor and may be amended, restated, amended and restated, modified, supplemented, waived or released with respect to any Guarantor without the approval of any other Guarantor and without affecting the obligations of any other Guarantor hereunder.

Section 4.07 Severability.

If any provision of this Agreement is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 4.08 GOVERNING LAW, ETC.

(a) GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES THEREOF THAT WOULD RESULT IN THE APPLICATION OF ANY LAW OTHER THAN THE LAW OF THE STATE OF NEW YORK.

(b) CONSENT TO JURISDICTION. THE GUARANTORS, THE ADMINISTRATIVE AGENT, THE COLLATERAL AGENT AND EACH OTHER SECURED PARTY EACH IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK CITY IN THE BOROUGH OF MANHATTAN AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK SITTING IN THE BOROUGH OF MANHATTAN, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. EACH PARTY HERETO AGREES THAT THE AGENTS AND LENDERS RETAIN THE RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO BRING

PROCEEDINGS AGAINST ANY GUARANTOR IN THE COURTS OF ANY OTHER JURISDICTION IN CONNECTION WITH THE EXERCISE OF ANY RIGHTS UNDER THIS AGREEMENT OR THE ENFORCEMENT OF ANY JUDGMENT.

(c) VENUE. THE GUARANTORS, THE ADMINISTRATIVE AGENT, THE COLLATERAL AGENT AND EACH SECURED PARTY EACH IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT IN ANY COURT REFERRED TO IN PARAGRAPH (b) OF THIS SECTION 4.08. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(d) WAIVER OF RIGHT TO TRIAL BY JURY. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 4.08(d).

(e) SERVICE OF PROCESS. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 4.01. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

Section 4.09 Obligations Absolute.

To the fullest extent permitted by applicable Law, all rights of the Collateral Agent, the Administrative Agent and the other Secured Parties hereunder and all obligations of each Guarantor hereunder shall be absolute and unconditional irrespective of (a) any lack of validity or enforceability of the Credit Agreement, any other Loan Document, any agreement with respect to any of the Guaranteed Obligations or any other agreement or instrument relating to any of the foregoing, (b) any change in the time, manner or place of payment of, or in any other term of, all or any of the Guaranteed Obligations, or any other amendment or waiver of or any consent to any departure from the Credit Agreement, any other Loan Document, or any other agreement or instrument, (c) any release or amendment or waiver of or consent under or departure from any guarantee guaranteeing all or any of the Guaranteed Obligations or (d) subject only to termination or release of a Guarantor's obligations hereunder in accordance with the terms of Section 4.10, but without prejudice to reinstatement rights under Section 2.04, any other circumstance that might otherwise constitute a defense available to, or a discharge of, any Guarantor in respect of the Guaranteed Obligations or this Agreement.

Section 4.10 Termination or Release.

(a) This Agreement and the Guarantees made herein shall terminate with respect to all Guaranteed Obligations when the Termination Conditions have been satisfied; *provided*, *however*, that in connection with the termination of this Agreement, the Administrative Agent may require such indemnities as it shall reasonably deem necessary or appropriate to protect the Secured Parties against (x) loss on account of credits previously applied to the Guaranteed Obligations that may subsequently be reversed or revoked, and (y) any Obligations that may thereafter arise with respect to Secured Hedge Agreements or Secured Cash Management Agreements to the extent not provided for thereunder.

(b) A Guarantor shall automatically be released from its obligations hereunder in the circumstances set forth in Sections 7.04, 9.12 and 10.24 of the Credit Agreement.

(c) In connection with any termination or release pursuant to clauses (a) or (b) of this Section 4.10, the Administrative Agent and the Collateral Agent shall promptly execute and deliver to any Guarantor, at such Guarantor's expense, all documents that such Guarantor shall reasonably request to evidence such termination or release and shall perform such other actions reasonably requested by such Guarantor to effect such release, including delivery of certificates, securities and instruments. Any execution and delivery of documents pursuant to this Section 4.10 shall be without recourse to or warranty by the Administrative Agent or the Collateral Agent.

(d) At any time that the respective Guarantor desires that the Administrative Agent or the Collateral Agent take any of the actions described in the immediately preceding clause (c), it shall, upon request of the Administrative Agent or the Collateral Agent, deliver to the Administrative Agent an officer's certificate certifying that the release of the respective Guarantor is permitted pursuant to clause (a) or (b) of this Section 4.10. The Administrative Agent and the Collateral Agent shall have no liability whatsoever to any Secured Party as a result of any release of any Guarantor by it as permitted (or which the Administrative Agent in good faith believes to be permitted) by this Section 4.10.

Section 4.11 Additional Restricted Subsidiaries.

Each Restricted Subsidiary that is required to become a Guarantor pursuant to Section 6.11 of the Credit Agreement, together with any Parent Company or other Restricted Subsidiary that the Borrower causes, in its sole discretion to Guarantee the Obligations pursuant hereto, shall, upon execution and delivery by such Restricted Subsidiary or Parent Company of a Guaranty Supplement, become a Guarantor hereunder with the same force and effect as if originally named as a Guarantor herein. The execution and delivery of any such instrument shall not require the consent of any other signatory hereto or Guarantor hereunder. The rights and obligations of each Guarantor hereunder shall remain in full force and effect notwithstanding the addition of any new Guarantor as a party to this Agreement.

Section 4.12 Recourse; Limited Obligations.

This Agreement is made with full recourse to each Guarantor and pursuant to and upon all the warranties, representations, covenants and agreements on the part of such Guarantor contained herein, in the Credit Agreement and the other Loan Documents and otherwise in writing in connection herewith or therewith. It is the desire and intent of each Guarantor and each applicable Secured Party that this Agreement shall be enforced against each Guarantor to the fullest extent permissible under applicable Law applied in each jurisdiction in which enforcement is sought.

Section 4.13 Intercreditor Agreements.

NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, THE GUARANTEED OBLIGATIONS, PURSUANT TO THIS AGREEMENT AND THE EXERCISE OF ANY RIGHT OR REMEDY BY THE ADMINISTRATIVE AGENT AND THE OTHER SECURED PARTIES HEREUNDER ARE SUBJECT TO THE PROVISIONS OF THE INTERCREDITOR AGREEMENT(S), IF ANY. IN THE EVENT OF ANY CONFLICT OR INCONSISTENCY BETWEEN THE PROVISIONS OF THE INTERCREDITOR AGREEMENT(S) AND THIS AGREEMENT, THE PROVISIONS OF THE INTERCREDITOR AGREEMENT SHALL GOVERN AND CONTROL.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

LTF INTERMEDIATE HOLDINGS, INC., as Holdings,

By: _____
Name:
Title:

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

LTF CLUB OPERATIONS COMPANY, INC., as Guarantor,

By: _____
Name:
Title:

LTF OPERATIONS HOLDINGS, INC., as Guarantor,

By: _____
Name:
Title:

LTF MANAGEMENT SERVICES, LLC, as Guarantor,

By: _____
Name:
Title:

LTF CONSTRUCTION COMPANY, **LLC**, as Guarantor,

By: _____
Name:
Title:

LTF RESTAURANT COMPANY, LLC, as Guarantor,

By: _____
Name:
Title:

LTF CLUB MANAGEMENT COMPANY, LLC, as Guarantor,

By: _____
Name:
Title:

LTF MINNETONKA RESTAURANT COMPANY, LLC, as Guarantor,

By: _____
Name:
Title:

LTF TRIATHLON SERIES, LLC, as Guarantor,

By: _____
Name:
Title:

CHRONOTRACK SYSTEMS CORP., as Guarantor,

By: _____
Name:
Title:

THE RED ROCK COMPANY, INC, as Guarantor,

By: _____
Name:
Title:

CEO CHALLENGE, LLC, as Guarantor,

By: _____
Name:
Title:

LTF ARCHITECTURE, LLC, as Guarantor,

By: _____
Name:
Title:

LTF LEASE COMPANY, LLC, as Guarantor,

By: _____
Name:
Title:

LTF YOGA COMPANY, LLC, as Guarantor,

By: _____
Name:
Title:

LTF REAL ESTATE HOLDINGS, LLC, as Guarantor,

By: _____
Name:
Title:

LEADVILLE TRAIL 100 INC., as Guarantor,

By: _____
Name:
Title:

CREATIVE & PRODUCTION RESOURCES, INC., as Guarantor,

By: _____
Name:
Title:

CHEQUAMEGON FAT TIRE FESTIVAL, INC., as Guarantor,

By: _____
Name:
Title:

LTF REAL ESTATE COMPANY, INC., as Guarantor,

By: _____
Name:
Title:

LTF REAL ESTATE VOYAGER III (BLOOMINGTON), LLC, as Guarantor,

By: _____
Name:
Title:

LTF GROUND LEASE COMPANY, LLC, as Guarantor,

By: _____
Name:
Title:

ACCEPTED AND AGREED:

LTF MERGER SUB, INC. (which on the Closing Date shall be merged with and into Life Time Fitness, Inc., with Life Time Fitness, Inc. surviving such merger)

By: _____

Name:

Title:

ACCEPTED AND AGREED:

The undersigned hereby confirms that, as a result of its merger with LTF Merger Sub, Inc., it hereby assumes all of the rights and obligations of LTF Merger Sub, Inc. under this Agreement (in furtherance of, and not in lieu of, any assumption or deemed assumption as a matter of law) and hereby is joined to this Agreement.

LIFE TIME FITNESS, INC.

By: _____
Name:
Title:

DEUTSCHE BANK AG NEW YORK BRANCH,
as Administrative Agent and Collateral Agent,

By: _____
Name:
Title:

By: _____
Name:
Title:

SCHEDULE I TO GUARANTY

[CLOSING DATE GUARANTORS]

EXHIBIT I TO GUARANTY

FORM OF GUARANTY SUPPLEMENT

SUPPLEMENT NO. , dated as of , 20 (this "**Guaranty Supplement**"), to the Guaranty, dated as of June 10, 2015, among LTF Intermediate Holdings, Inc., a Delaware corporation ("**Holdings**"), the other Guarantors party thereto from time to time and DEUTSCHE BANK AG NEW YORK BRANCH, as Administrative Agent and Collateral Agent for the Secured Parties (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "**Guaranty**").

A. Reference is made to the Credit Agreement, dated as of June 10, 2015 (as amended, restated, amended and restated, refinanced, replaced, extended, supplemented or otherwise modified from time to time, the "**Credit Agreement**"), among Holdings, LTF Merger Sub, Inc., a Minnesota corporation and direct subsidiary of Holdings ("**Merger Sub**" or "**Initial Borrower**"), Deutsche Bank AG New York Branch, as Administrative Agent and as Collateral Agent under the Loan Documents, and each Lender and other party from time to time party thereto.

B. Terms used and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement or the Guaranty, as applicable.

C. The Guarantors have entered into the Guaranty in order to induce (x) the Lenders to make Loans to the Borrower and the Issuing Bank to issue Letters of Credit, (y) the Hedge Banks to enter into or maintain Secured Hedge Agreements and (z) the Cash Management Banks to enter into or maintain Secured Cash Management Agreements. Section 4.11 of the Guaranty provides that additional Restricted Subsidiaries or Parent Companies, as applicable, of the Borrower may become Guarantors under the Guaranty by execution and delivery of an instrument in the form of this Guaranty Supplement. The undersigned (the "New Guarantor") is executing this Guaranty Supplement in accordance with the requirements of the Credit Agreement or as directed by the Borrower in its sole discretion.

Accordingly, the Administrative Agent and the New Guarantor agree as follows:

Section 1. In accordance with Section 4.11 of the Guaranty, the New Guarantor by its signature below becomes a Guarantor under the Guaranty with the same force and effect as if originally named therein as a Guarantor and the New Guarantor hereby (a) agrees to all the terms and provisions of the Guaranty applicable to it as a Guarantor thereunder and (b) represents and warrants that the representations and warranties made by the Borrower with respect to it as a Guarantor thereunder are true and correct in all material respects on and as of the date hereof, *provided* that, to the extent that such representations and warranties specifically refer to an earlier date, they shall be true and correct in all material respects as of such earlier date. Each reference to a "Guarantor" in the Guaranty shall be deemed to include the New Guarantor as if originally named therein as a Guarantor. The Guaranty is hereby incorporated herein by reference.

Section 2. The New Guarantor represents and warrants to the Administrative Agent and the other Secured Parties that this Guaranty Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, except as such enforceability may be limited by Debtor Relief Laws and by general principles of equity and principles of good faith and fair dealing.

Section 3. This Guaranty Supplement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Guaranty Supplement shall become effective when it shall have been executed and delivered by the New Guarantor and thereafter shall be binding upon and inure to the benefit of each Guarantor, the Administrative Agent, the Collateral Agent, the other Secured Parties and their respective permitted successors and assigns, subject to Section 4.04 of the Guaranty. Delivery of an executed counterpart of a signature page of this Guaranty Supplement by facsimile or other electronic imaging (including in .tif or .pdf format) means shall be effective as delivery of a manually executed counterpart of this Guaranty Supplement.

Section 4. Except as expressly supplemented hereby, the Guaranty shall remain in full force and effect, subject to the termination of the Guaranty pursuant to Section 4.10 thereof.

Section 5.

(a) THIS GUARANTY SUPPLEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES THEREOF THAT WOULD RESULT IN THE APPLICATION OF ANY LAW OTHER THAN THE LAW OF THE STATE OF NEW YORK.

(b) The other terms of Section 4.08 of the Guaranty with respect to submission to jurisdiction, venue, waiver of jury trial and consent to service of process are incorporated herein by reference, *mutatis mutandis*, and the parties hereto, or beneficiaries hereof, agree to such terms.

Section 6. If any provision of this Guaranty Supplement is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Guaranty Supplement shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 7. All communications and notices hereunder shall be in writing and given as provided in Section 4.01 of the Guaranty.

Section 8. The New Guarantor agrees to reimburse the Administrative Agent and the Collateral Agent for its reasonable and documented out-of-pocket expenses in connection with this Guaranty Supplement as provided in Section 4.03(a) of the Guaranty.

Section 9. For purposes of New York General Obligations Law §5-1105, the parties hereto agree that the promise by the New Guarantor contained herein is a Guaranty (as defined in the Credit Agreement) and that (i) the consideration for this Guaranty, which is hereby expressed in writing, is the making of the Loans to the Borrower on the Closing Date and from time to time thereafter, the making of Commitments with respect to the Loans on the Closing Date and from time to time thereafter and the other extensions of credit that constitute Obligations (other than any Excluded Swap Obligation) under the Credit Agreement from time to time outstanding, and (ii) such Loans, Commitments and other extensions of credit have been given and/or performed and would be valid consideration for this Guaranty Supplement but for the time that they were given (i.e., would have been valid consideration for this Guaranty if the New Guarantor had entered into this Guaranty contemporaneously with the initial making of the Loans, Commitments and other extensions of credit on the Closing Date).

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the parties hereto have caused this Guaranty Supplement to be duly executed as of the date first above written.

[NEW GUARANTOR]

By: _____
Name:
Title:

DEUTSCHE BANK AG NEW YORK BRANCH,
as Administrative Agent and Collateral Agent,

By: _____
Name:
Title:

By: _____
Name:
Title:

EXHIBIT F

FORM OF SECURITY AGREEMENT

[See Attached]

EXHIBIT F

FORM OF PLEDGE AND SECURITY AGREEMENT

Dated as of June 10, 2015

by and among

THE GRANTORS REFERRED TO HEREIN

and

DEUTSCHE BANK AG NEW YORK BRANCH,
as Collateral Agent

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SCHEDULES:

EXHIBITS:

PLEDGE AND SECURITY AGREEMENT

This PLEDGE AND SECURITY AGREEMENT (this "**Agreement**") is entered into as of June 10, 2015, by and among LTF Intermediate Holdings, Inc., a Delaware corporation ("**Holdings**"), LTF Merger Sub, Inc., a Minnesota corporation and direct subsidiary of Holdings ("**Merger Sub**" or "**Initial Borrower**"), each other Grantor (as defined below) from time to time party hereto and Deutsche Bank AG New York Branch, in its capacity as Collateral Agent for the Secured Parties (in such capacity, together with its successors in such capacity, the "**Collateral Agent**").

PRELIMINARY STATEMENTS

WHEREAS, reference is made to that certain (a) Credit Agreement, dated as of June 10, 2015 (as amended, restated, amended and restated, refinanced, replaced, extended, supplemented and/or otherwise modified from time to time, the "**Credit Agreement**"), by and among Holdings, Merger Sub, the Administrative Agent, the Collateral Agent and each Lender and other party from time to time party thereto and (b) Guaranty, dated as of June 10, 2015 (as amended, restated, amended and restated, refinanced, replaced, extended, supplemented and/or otherwise modified from time to time, the "**Guaranty**"), by and among each Guarantor party thereto and the Collateral Agent;

WHEREAS, the Lenders have agreed to extend credit to the Borrower, the Issuing Bank has indicated its willingness to issue Letters of Credit, the Hedge Banks have agreed to enter into and/or maintain one or more Secured Hedge Agreements and the Cash Management Banks have agreed to enter into and/or maintain Cash Management Services, on the terms and conditions set forth in the Credit Agreement, in such Secured Hedge Agreements and in such Cash Management Services agreements, as applicable;

WHEREAS, each Guarantor has, pursuant to the Guaranty, unconditionally guaranteed the obligations of the Borrower under the Credit Agreement;

WHEREAS, the obligations of the Lenders to extend such credit, the obligations of the Issuing Bank to issue Letters of Credit, the obligations of the Hedge Banks to enter into and/or maintain such Secured Hedge Agreements and the obligations of the Cash Management Banks to enter into and/or maintain such Cash Management Services are, in each case, conditioned upon, among other things, the execution and delivery of this Agreement by each Grantor (as defined below); and

WHEREAS, the Grantors are Affiliates of one another and will derive substantial direct and indirect benefits from (i) the extensions of credit to the Borrower pursuant to the Credit Agreement, (ii) the entering into and/or maintaining by the Hedge Banks of Secured Hedge Agreements with the Borrower and/or one or more of its Restricted Subsidiaries and (iii) the entering into and/or maintaining by the Cash Management Banks of Cash Management Services with the Borrower and/or one or more of its Restricted Subsidiaries, and are willing to execute and deliver this Agreement in order to induce the Lenders to extend such credit, the Hedge Banks to enter into and/or maintain such Secured Hedge Agreements and the Cash Management Banks to enter into and/or maintain such Cash Management Services.

ACCORDINGLY, in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Terms Defined in Credit Agreement. All capitalized terms used in this Agreement (including terms used in the preamble and preliminary statements hereto) and not otherwise defined herein have the meanings specified in the Credit Agreement.

Section 1.2 Terms Defined in UCC. Terms defined in the UCC that are not otherwise defined in this Agreement or the Credit Agreement are used herein as defined in the UCC (and if defined in more than one article of the UCC, have the meaning specified in Article 9 thereof).

Section 1.3 Terms Generally. The rules of construction and other interpretive provisions specified in Sections 1.02 through 1.10 (inclusive) of the Credit Agreement also apply to this Agreement (*mutatis mutandis*), including with respect to terms defined in the preamble and preliminary statements hereto.

Section 1.4 Definitions of Certain Terms Used Herein. As used in this Agreement, in addition to the terms defined in the preamble and preliminary statements above, the following terms shall have the following meanings:

"**Account Debtor**" means any Person obligated to any Grantor in respect of an Account.

"**Agreement**" has the meaning specified in the preamble hereto.

"**Collateral**" has the meaning specified in Article II.

"**Collateral Agent**" has the meaning specified in the preamble hereto.

"**Control**" has the meaning specified in Section 8-106 of Article 8 of the UCC or in Section 9-104, 9-105, 9-106 or 9-107 of Article 9 of the UCC, as applicable.

"**Copyright Office**" means the United States Copyright Office of the Library of Congress.

"**Copyrights**" means, with respect to any Grantor, all of such Grantor's right, title, and interest in and to the following: (a) all copyrights, rights and interests in such copyrights, works protectable by copyright, copyright registrations, and applications to register copyright; (b) all renewals of any of the foregoing; (c) all income, royalties, damages, and payments now or hereafter due and/or payable under any of the foregoing, including damages or payments for past or future infringements for any of the foregoing; (d) the right to sue for past, present, and future infringements of any of the foregoing; and (e) all rights corresponding to any of the foregoing throughout the world.

"**Credit Agreement**" has the meaning specified in the preliminary statements hereto.

"**Excluded Accounts**" means (a) payroll and other employee wage and benefit accounts, (b) tax accounts, including sales tax accounts, (c) petty cash accounts funded in the ordinary course of business, (d) escrow, fiduciary or trust accounts, (e) designated disbursement accounts and non-U.S. bank accounts and (f) the funds or other property held in or maintained in any such account identified in clauses (a) through (e).

"**Excluded Assets**" means:

(a) (i) any leasehold interest (including any ground lease interest) in real property, (ii) any interest in any fee-owned real property other than any Material Real Property, (iii) any (x) vacant real property and (y) land under construction with improvements where such improvements are not open for commercial operations, and (iv) any Fixtures affixed to any real property (x) that is not Material Real Property or (y) to the extent a security interest in such Fixtures may not be perfected by the filing of a UCC financing statement in the jurisdiction of organization of the applicable Grantor;

(b) motor vehicles, aircraft and other assets subject to certificates of title or ownership (including aircraft, airframes, aircraft engines or helicopters, or any equipment or other assets constituting a part thereof, in each case to the extent subject to Federal Aviation Act registration requirements and rolling stock);

(c) (i) Letter-of-Credit Rights (other than to the extent consisting of Supporting Obligations that can be perfected by the filing of a Uniform Commercial Code financing statement) and (ii) Commercial Tort Claims having a value of less than $7,500,000;

(d) any governmental licenses or state or local franchises, charters and authorizations (together with any rights or interests under any of the foregoing) to the extent a security interest therein is prohibited or restricted thereby (except to the extent such prohibition or restriction is ineffective under the UCC);

(e) assets to the extent the pledge thereof or grant of security interests therein (x) is prohibited or restricted by applicable law, rule or regulation; (y) solely with respect to any Intellectual Property, would cause the destruction, invalidation or abandonment of such asset under applicable law, rule or regulation; or (z) requires any consent, approval, license or other authorization of any third party or Governmental Authority that has not been obtained;

(f) Excluded Equity Interests;

(g) any lease, license or agreement or any property or asset (including any Equipment or Inventory subject to a purchase money security interest or similar arrangement) (together with any rights or interests under any of the foregoing) to the extent that a grant of a security interest therein is prohibited by or would violate or invalidate such lease, license or agreement or purchase money or similar arrangement (or any right or interest under any of the foregoing) or create a right of termination, re-negotiation or acceleration in favor of any party thereto after giving effect to the applicable anti-assignment provisions of the UCC or other applicable Law, other than proceeds and receivables thereof, the assignment of which is expressly deemed effective under the UCC or other applicable Law notwithstanding such prohibition;

(h) any asset(s) to the extent a security interest in such assets would result in adverse tax consequences as reasonably determined by the Borrower in consultation with the Administrative Agent;

(i) any asset(s) as to which the Administrative Agent reasonably determines (in consultation with Borrower) that the cost or other consequence(s) of obtaining, perfecting or maintaining a security interest or pledge in such asset(s) exceed the fair market value (as determined by the Borrower in its reasonable judgment) thereof or are excessive in relation to the practical benefit to the Secured Parties of the security to be afforded thereby;

(j) any assets to the extent (and only to the extent) that action would be required under the law of anynon-U.S. jurisdiction to create or perfect a security interest in such assets, including any Intellectual Property arising under the laws of, or registered or applied for in any non-U.S. jurisdiction;

(k) as extracted collateral, timber to be cut, farm products, manufactured homes, health care insurance receivables, or aircraft engines, satellites, ships or railroad rolling stock;

(l) Excluded Accounts and Excluded Intercompany Debt;

(m) any property or asset(s) securing any Existing Mortgage Debt or other property if including such property or assets in the Collateral would violate the terms of (or require a consent under) documents governing such Existing Mortgage Debt;

(n) any property or asset(s) (and any related rights and any related property or asset(s)) (i) sold or otherwise transferred in connection with a Sale and Lease-Back Transaction permitted by the Credit Agreement or (ii) subject to any Permitted Lien and consisting of property or asset(s) (and any related rights and any related asset(s)) subject to such Sale and Lease-Back Transaction permitted by the Credit Agreement or General Intangibles related thereto; and

(o) any United States intent-to-use trademark applications prior to the filing of a "Statement of Use" or "Amendment to Allege Use" with respect thereto, to the extent, if any, that, and solely during the period, if any, in which, the grant of a security interest therein would impair the validity or enforceability of any registration issuing from such intent-to-use trademark application under applicable federal law;

provided that the Proceeds of, or in respect of, any Excluded Assets will constitute Collateral (except to the extent such Proceeds are Excluded Asset(s)).

"**Excluded Equity Interests**" means any and all of the following: (i) Margin Stock, (ii) Equity Interests of any Person other than (a) the Borrower, (b) any Subsidiary Guarantor or (c) any wholly owned Material Subsidiary that is directly owned by a Borrower or any Subsidiary Guarantor other than a CFC or CFC Holdco, (iii) more than 65% of the issued and outstanding voting Equity Interests of any (a) Foreign Subsidiary, (b) CFC or (c) CFC Holdco, (iv) any Equity Interests to the extent the pledge thereof would be prohibited by any law or to the extent not permitted by the terms of such Person's Organizational Documents (in each case, except to the extent that any such prohibition or restriction would be rendered ineffective under the UCC or other applicable Law), (v) any Equity Interests with respect to which the Administrative Agent has reasonably determined (in consultation with the Borrower) that the cost or other consequences (including any adverse tax consequences) of pledging, perfecting or maintaining a security interest in such Equity Interests are excessive in relation to the benefit to the Secured Parties of the security to be afforded thereby, (vi) the Equity Interests of any Subsidiary of a Foreign Subsidiary, CFC or CFC Holdco, (vii) the Equity Interests of any Unrestricted Subsidiary, special purpose vehicle (or similar entity, including any Securitization Subsidiary), Captive Insurance Subsidiary, Sale-Leaseback SPE or not-for-profit Subsidiary and (viii) any other Equity Interests that constitute Excluded Assets.

"**Excluded Intercompany Debt**" means intercompany Indebtedness to the extent secured by the assets of a Foreign Subsidiary.

"**fair market value**" shall have the meaning set forth in the Credit Agreement.

"**Filing Period**" has the meaning specified in Section 4.7.

"**Grantors**" means Holdings, the Borrower and each Subsidiary Guarantor.

"**Guaranty**" has the meaning specified in the preliminary statements hereto.

"**Holdings**" has the meaning specified in the preamble hereto.

"**Indemnified Liabilities**" has the meaning specified in Section 7.17.

"**Indemnitees**" has the meaning specified in Section 7.17.

"**Initial Borrower**" has the meaning specified in the preamble hereto.

"**Intellectual Property"** means, with respect to any Grantor, all intellectual property of every kind and nature now owned or hereafter acquired by such Grantor, including Patents, Copyrights and Trademarks, all related registrations of the foregoing and all rights therein and thereto.

"**Intellectual Property Security Agreements**" means agreements substantially in the form of the Form of Short Form Intellectual Property Security Agreements specified in Exhibit C hereto (as applicable).

"**IP Collateral**" means, with respect to any Grantor, the Collateral consisting of Intellectual Property of such Grantor.

"**Joinder**" means a joinder agreement substantially in the form of Exhibit B hereto or such other form as the Collateral Agent and the applicable Grantor may agree.

"**Licenses**" means, with respect to any Grantor, all of such Grantor's right, title, and interest in and to (a) any and all written licensing agreements or similar arrangements in and to its (1) Patents, (2) Copyrights, or (3) Trademarks, (b) all income, royalties, damages, claims, and payments now or hereafter due or payable under and with respect thereto, including damages and payments for past and future breaches thereof, and (c) all rights to sue for past, present, and future breaches thereof.

"**Merger Sub**" has the meaning specified in the preamble hereto.

"**NASD Rule 1017**" has the meaning specified in Section 4.7.

"**Patents**" means, with respect to any Grantor, all of such Grantor's right, title, and interest in and to: (a) any and all patents and patent applications; (b) all inventions claimed therein; (c) all reissues, divisions, continuations, renewals, extensions, and continuations-in-part thereof; (d) all income, royalties, damages, claims, and payments now or hereafter due or payable under and with respect thereto, including damages and payments for past and future infringements thereof; (e) all rights to sue for past, present, and future infringements thereof; and (f) all rights corresponding to any of the foregoing throughout the world.

"**Perfection Certificate**" means a certificate substantially in the form of Exhibit A or any other form acceptable to the Collateral Agent and the Borrower, completed and supplemented with the schedules and attachments contemplated thereby, and duly executed by a Responsible Officer of the Borrower.

"**Permitted Liens**" has the meaning specified in Section 3.1(a).

"**Pledged Debt**" has the meaning specified in the definition of "Pledged Collateral".

"**Pledged Collateral**" means Collateral consisting of any and all of the following: (i) Equity Interests held by the Grantors, including such Equity Interests described in Schedule I hereto or required to be pledged in accordance with the Credit Agreement and (ii) any promissory note(s), Tangible Chattel Paper and Instrument(s) evidencing Indebtedness for borrowed money in an aggregate principal Dollar Amount in excess of $10,000,000 (individually) owed by Holdings, the Borrower or any Restricted Subsidiary to any Grantor and not subject to the Intercompany Subordination Agreement (the "**Pledged Debt**"), including such Collateral described in Schedule I hereto or required to be pledged pursuant to the Credit Agreement. Notwithstanding the foregoing, "Pledged Collateral" does not (and will not) include any Excluded Asset(s).

"**Sale-Leaseback SPE**" means any special purpose entity formed for the primary purpose to hold a leasehold interest in real property that is subject to a Sale-Leaseback Transaction that and has no other activities other than those incidental to holding such leasehold interest, including Healthy Way of Life I, LLC, Healthy Way of Life II, LLC, Healthy Way of Life III, LLC and any successors or assigns thereof, and any such special purpose tenant entities formed in connection with any Specified Sale-Leaseback Transactions.

"**Receivables**" means the Accounts, Chattel Paper, Documents, Investment Property, Instruments and any other rights or claims to receive money that are General Intangibles or that are otherwise included as Collateral.

"**Secured Obligations**" means "Obligations" as such term is defined in the Credit Agreement;*provided* that, for the avoidance of doubt, the Secured Obligations will not include any Excluded Swap Obligations.

"**Security Interest**" has the meaning specified in Article II.

"**Stock Rights**" means all dividends, instruments or other distributions and any other right or property which any Grantor shall receive or shall become entitled to receive for any reason whatsoever with respect to, in substitution for or in exchange for any Equity Interest constituting Collateral, any right to receive an Equity Interest constituting Collateral and any right to receive earnings, in which such Grantor now has or hereafter acquires any right, issued by an issuer of such Equity Interest.

"**Trademarks**" means, with respect to any Grantor, all of such Grantor's right, title, and interest in and to the following: (a) all trademarks (including service marks), trade names, trade dress, and trade styles and the registrations and applications for registration thereof and the goodwill of the business symbolized by the foregoing; (b) all renewals of the foregoing; (c) all income, royalties, damages, and payments now or hereafter due or payable with respect thereto, including damages, claims, and payments for past and future infringements thereof; and (d) all rights to sue for past, present, and future infringements of the foregoing; and (e) all rights corresponding to any of the foregoing throughout the world.

"**UCC**" means the Uniform Commercial Code as in effect from time to time in the State of New York;*provided* that, if by reason of mandatory provisions of law, perfection, or the effect of perfection or non-perfection or the priority of a security interest in any Collateral or the availability of any remedy hereunder is governed by the Uniform Commercial Code as in effect in a jurisdiction other than New York, "UCC" means the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection or effect of perfection or non-perfection or priority or availability of such remedy, as the case may be.

"**USPTO**" means the United States Patent and Trademark Office.

ARTICLE II

GRANT OF SECURITY INTEREST

Each Grantor hereby pledges, assigns and grants to the Collateral Agent, on behalf of and for the benefit of the Secured Parties, to secure the prompt and complete payment and performance of all Secured Obligations, a security interest ("**Security Interest**") in all of its right, title and interest in, to and under all of the following property and other assets, whether now owned by or owing to, or hereafter acquired by or arising in favor of, such Grantor (including under any trade name or derivations thereof), and regardless of where located (all of which are collectively referred to as the "**Collateral**"):

(a) all Accounts;

(b) all Chattel Paper (including Electronic Chattel Paper and Tangible Chattel Paper);

(c) all Intellectual Property;

(d) all Documents;

(e) all Equipment;

(f) all Fixtures;

(g) all General Intangibles;

(h) all Goods;

(i) all Instruments;

(j) all Inventory;

(k) all Investment Property;

(l) all Letter-of-Credit Rights and Supporting Obligations;

(m) all Deposit Accounts;

(n) all Commercial Tort Claims as specified from time to time in Schedule III hereto;

(o) all cash or other property deposited with the Collateral Agent or any Lender or any Affiliate of the Collateral Agent or any Lender or which the Collateral Agent, for its benefit and for the benefit of the other Secured Parties, or any Lender or such Affiliate is entitled to retain or otherwise possess as collateral pursuant to the provisions of this Agreement or any of the Loan Documents, including amounts on deposit in any Cash Collateral Account;

(p) all information contained in books, records, files, correspondence, computer programs, tapes, disks and related data processing software identifying or pertaining to any of the foregoing or any Account Debtor or showing the amounts thereof or payments thereon or otherwise necessary or helpful in the realization thereon or the collection thereof; and

(q) any and all accessions to, substitutions for and replacements, products and cash and non-cash proceeds (including Stock Rights) of the foregoing (including any claims to any items referred to in this definition and any claims against third parties for loss of, damage to or destruction of any or all of the Collateral or for proceeds payable under or unearned premiums with respect to policies of insurance) in whatever form, including cash, negotiable instruments and other instruments for the payment of money, Chattel Paper, security agreements and other documents.

Notwithstanding the foregoing or anything herein to the contrary, (x) in no event shall the "Collateral" include, or the security interest attach to, any Excluded Asset and (y) for the avoidance of doubt, the exercise of rights and remedies with respect to Equity Interests of any Subsidiary is and will remain limited by and subject to the requirements of any and all applicable requirements of Law (including rules and regulations of any self-regulatory organization of which such Subsidiary is a member).

ARTICLE III

REPRESENTATIONS AND WARRANTIES

The Grantors, jointly and severally, represent and warrant to the Collateral Agent, for the benefit of the Secured Parties, at the time of each Credit Extension (solely to the extent required to be true and correct for such Credit Extension pursuant to Article IV or Section 2.14 of the Credit Agreement, as applicable):

Section 3.1 Title, Perfection and Priority.

(a) Each Grantor has valid rights in the Collateral with respect to which it has purported to grant a Security Interest hereunder, free and clear of all Liens (other than Liens permitted under Section 4.1(e) (collectively, "**Permitted Liens**)), except for minor defects in title that do not interfere with its ability to conduct its business as currently conducted or as proposed to be conducted or to utilize or enforce such properties for their intended purposes (which rights are in any event, sufficient under Section 9-203 of the UCC), and has full power and authority to grant to the Collateral Agent, for the benefit of the Secured Parties, the Security Interest in such Collateral pursuant hereto. This Agreement creates in favor of the Collateral Agent, for the benefit of the Secured Parties, a valid Security Interest in the Collateral granted by each Grantor. No material consent or approval of, registration or filing with, or any other action by any Governmental Authority is required for the grant of the security interest pursuant to this Agreement, except:

(i) such as have been obtained, taken, given or made and are in full force and effect (except to the extent not required to be obtained, taken, given or made or in full force and effect pursuant to the Collateral and Guarantee Requirement),

(ii) for filings and registrations necessary to perfect Liens created pursuant to the Loan Documents and

(iii) those approvals, consents, exemptions, authorizations or other actions, notices or filings, the failure of which to obtain or make would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(b) Subject to (x) the limitations set forth in clause (c) of this Section 3.1 and (y) the Collateral and Guarantee Requirement, the Security Interest constitutes (i) a valid security interest and (ii) with respect to any:

(A) Collateral in which a security interest may be perfected by filing a financing statement in the United States (or any political subdivision thereof) pursuant to the UCC, upon the filing of UCC financing statements naming each Grantor as "debtor" and the Collateral Agent as "secured party" and describing the Collateral in the filing office set forth opposite such Grantor's name on Schedule II hereto,

(B) IP Collateral (to the extent such IP Collateral cannot be perfected pursuant to subparagraph (A) above), the filing and recording of fully executed Intellectual Property Security Agreements describing the IP Collateral consisting of U.S. Patents, U.S. Trademarks and U.S. Copyrights in the USPTO or Copyright Office (as applicable) within the time period(s) required pursuant to 35 U.S.C. § 261 or 15 U.S.C. § 1060 or 17 U.S.C. § 205; and

(C) certificated Pledged Collateral, the delivery (and continued possession) of such Pledged Collateral to the Collateral Agent in the State of New York in accordance with this Agreement,

will constitute a perfected (subject to Permitted Liens) security interest, in each case, in such Collateral in favor of the Collateral Agent for the benefit of the Secured Parties. Such Security Interest is prior to all other Liens (other than Permitted Liens).

(c) Notwithstanding anything to the contrary herein, no Grantor is or will be required to:

(i) take any action with respect to any Excluded Asset(s);

(ii) perfect the Security Interest by any means other than those filings and other actions described in (a) clauses (A), (B) and, to the extent required by Section 4.2, (C) of Section 3.1(b)(ii) (including, for the avoidance of doubt, taking any action to perfect the Security Interest in any Letter-of-Credit Rights other than the filing of a UCC financing statement) and (b) with respect to any Commercial Tort Claims constituting Collateral, Section 4.6;

(iii) obtain or deliver landlord waivers, estoppels, collateral access letters or similar documentation in any circumstances;

(iv) perfect the Security Interest through control agreements or otherwise through Control except as, and to the extent, expressly provided for (a) hereunder with respect to any Pledged Collateral or (b) under the Credit Agreement with respect to the Cash Collateral Account; or

(v) complete any filings or take any action(s) (other than the filings described in Section 3.1(b) or the delivery of Pledged Collateral as expressly required

elsewhere herein) with respect to the creation, perfection or enforcement of security interests in property or assets located or titled outside the United States, including any Intellectual Property registered or applied for in any jurisdiction outside of the United States, and no Grantor is or will be required to make any filing with any Governmental Authority, or to enter into any agreement governed by the Laws of any jurisdiction, in each case other than the United States, any state thereof (including any subdivision of any state) and the District of Columbia.

Section 3.2 Type and Jurisdiction of Organization, Organizational and Identification Numbers. The type of entity of each Grantor, its jurisdiction of organization, the organizational number issued to it by its jurisdiction of organization and its federal employer identification number, in each case as of the Closing Date, are set forth in the Perfection Certificate.

Section 3.3 Principal Location. Each Grantor's chief executive office and mailing address (if different), in each case as of the Closing Date, is disclosed in the Perfection Certificate.

Section 3.4 Exact Names. As of the Closing Date, the name of each Grantor set forth in Schedule IA of the Perfection Certificate is the exact name of such Grantor as it appears in such Grantor's certificate of organization or like document, as amended, as filed with such Grantor's jurisdiction of organization.

Section 3.5 Intellectual Property. As of the Closing Date, no Grantor owns any interest in, or title to, any United States federal registered or applied for Patent, or Trademark or registered Copyright except as set forth in Schedule IIB of the Perfection Certificate.

Section 3.6 No Financing Statements or Security Agreements. As of the Closing Date after giving effect to the Transactions, no Grantor has filed or consented to the filing of any financing statement or security agreement naming a Grantor as debtor and describing all or any portion of the Collateral that has not lapsed or been terminated except (a) for financing statements or security agreements naming the Collateral Agent, on behalf of the Secured Parties, as the secured party and (b) as permitted by Sections 4.1(e) and 4.1(f).

Section 3.7 Pledged Collateral.

(a) Schedule I hereto sets forth a complete and accurate list, as of the Closing Date, of all of the Pledged Collateral and, with respect to any Pledged Collateral constituting any Equity Interest, the percentage of the total issued and outstanding Equity Interests of the issuer represented thereby. As of the Closing Date, each Grantor is the legal and beneficial owner of the Pledged Collateral listed on Schedule I as being owned by it, free and clear of any Liens, except for the security interest granted to the Collateral Agent, for the benefit of the Secured Parties, hereunder and Liens permitted under Section 7.01 of the Credit Agreement. Each Grantor further represents and warrants that, as of the Closing Date:

(i) all Pledged Collateral constituting an Equity Interest issued by a Grantor or a wholly owned Subsidiary of a Grantor has been (to the extent such concepts are relevant with respect to such Pledged Collateral) duly authorized and validly issued by the issuer thereof and are fully paid and (if applicable) non-assessable,

(ii) with respect to any certificates delivered to the Collateral Agent (or itsnon-fiduciary agent or designee) representing an Equity Interest of a Person organized under the laws of a state of the United States, either such certificates are Securities as

defined in Article 8 of the UCC as a result of actions by the issuer or otherwise, or, if such certificates are not Securities, such Grantor has so informed the Collateral Agent so that the Collateral Agent (or its non-fiduciary agent or designee) may take steps to perfect its security interest therein as a General Intangible, and

(iii) to the best of its knowledge, any Pledged Collateral that represents Indebtedness owed to any Grantor has been duly authorized, authenticated or issued and delivered by the issuer of such Indebtedness, is the legal, valid and binding obligation of such issuer, subject to applicable Debtor Relief Laws and general principles of equity, and such issuer is not in default thereunder.

(b) As of the Closing Date, except for restrictions and limitations imposed or permitted by the Loan Documents or securities laws generally, none of the Pledged Collateral is subject to any option, right of first refusal, shareholders agreement, charter or by-law provisions or contractual restriction of any nature that might prohibit, impair, delay or otherwise affect the pledge of such Pledged Collateral hereunder, the sale or disposition thereof pursuant hereto or the exercise by the Collateral Agent of rights and remedies hereunder; *provided*, *however*, that the exercise of rights and remedies with respect to Pledged Collateral constituting Equity Interests of any Subsidiary is and will remain limited by and subject to the requirements of any and all applicable requirements of Law (including rules and regulations of any self-regulatory organization of which such Subsidiary is a member).

Section 3.8 Commercial Tort Claims. As of the Closing Date, no Grantor holds any Commercial Tort Claims having a value in excess of $7,500,000 for which such Grantor has filed a complaint in a court of competent jurisdiction, except as indicated in Schedule III hereto.

Section 3.9 Perfection Certificate. The Perfection Certificate has been duly prepared, completed and executed and the information set forth therein is correct and complete in all material respects as of the Closing Date.

Section 3.10 No Representations

Notwithstanding anything herein to the contrary (including this Article III), no Grantor makes (or will make) any representation or warranty as to:

(1) the effects of perfection or non-perfection, the priority or the enforceability of any pledge of or security interest in any Equity Interests of any Foreign Subsidiary, or as to the rights and remedies of the Collateral Agent or any Secured Party with respect thereto, under foreign Law;

(2) the pledge or creation of any security interest, or the effects of perfection or non-perfection, the priority or the enforceability of any pledge of or security interest to the extent such pledge, security interest, perfection or priority is not required pursuant to the Collateral and Guarantee Requirement; or

(3) on the Closing Date and until required pursuant to Section 6.13 or 4.01(1)(c) of the Credit Agreement, the pledge or creation of any security interest, or the effects of perfection or non-perfection, the priority or enforceability of any pledge or security interest to the extent not required on the Closing Date pursuant to Section 6.13 or 4.01(1)(c) of the Credit Agreement.

ARTICLE IV

COVENANTS

From the Closing Date, and thereafter until the Termination Conditions have been satisfied or waived, each Grantor agrees that:

Section 4.1 General.

(a) Collateral Records. Each Grantor will maintain complete and accurate books and records in accordance with the requirements of Section 6.09 of the Credit Agreement.

(b) Authorization to File Financing Statements, etc. Each Grantor hereby authorizes the Collateral Agent to file, and if requested will deliver to the Collateral Agent, all financing statements and other documents with respect to the Collateral (or any part thereof) and take such other actions as may from time to time be requested by the Collateral Agent in order to maintain a perfected security interest in and, if applicable, Control of, the Collateral to the extent required by Section 3.1. Any financing statement filed by the Collateral Agent may be filed in any filing office in any applicable UCC jurisdiction and may (i) describe the Collateral in the same manner as described herein or may contain an indication or description of collateral that describes such property in any other manner such as "all assets" or "all personal property, whether now owned or hereafter acquired" of such Grantor or words of similar effect as being of an equal or lesser scope or with greater detail, and (ii) contain any other information required by part 5 of Article 9 of the UCC for the sufficiency or filing office acceptance of any financing statement or amendment, including, if applicable, (A) whether such Grantor is an organization, the type of organization and any organization identification number issued to such Grantor and (B) in the case of a financing statement filed as a Fixture filing, a sufficient description of real property to which the Collateral relates. Each Grantor also agrees to furnish any such information to the Collateral Agent promptly upon reasonable request. The Collateral Agent is further irrevocably authorized to file (to the extent the Grantors have not already made such filings) Intellectual Property Security Agreements with respect to the applicable IP Collateral, executed by the applicable Grantor(s) with the USPTO or the Copyright Office (or any successor offices).

(c) Further Assurances. Each Grantor will, if reasonably requested by the Collateral Agent:

(i) take or cause to be taken such further actions in accordance with Section 6.13 of the Credit Agreement;

(ii) subject to the Collateral and Guarantee Requirement, and in accordance with Sections 6.11 and 6.13 of the Credit Agreement, take such other actions as the Collateral Agent reasonably deems appropriate under applicable law to evidence or perfect its Lien on any Collateral, or otherwise to give effect to the intent of this Agreement; and

(iii) take commercially reasonable actions to defend the Security Interest and priority thereof against the claims and demands not expressly permitted by the Loan Documents of all Persons whomsoever.

(d) Disposition of Collateral. No Grantor will sell, lease, transfer or otherwise dispose of the Collateral except for licenses, sales, leases, transfers and other dispositions specifically permitted under Section 7.04 of the Credit Agreement.

(e) Liens. No Grantor will create, incur or assume any Lien on the Collateral except (i) the Security Interest and (ii) Liens permitted by Section 7.01 of the Credit Agreement.

(f) Other Financing Statements. No Grantor will authorize the filing of any financing statement naming it as debtor covering all or any portion of the Collateral, except to cover security interests as permitted under Section 4.1(e).

(g) Change of Name, Etc. Each Grantor agrees to promptly furnish to the Collateral Agent (and in any event within sixty (60) days of such change or such longer period as the Collateral Agent may agree) written notice of any change in: (i) such Grantor's legal name; or (ii) such Grantor's organizational legal entity designation or jurisdiction of incorporation or formation.

(h) Exercise of Duties. Anything herein to the contrary notwithstanding, (i) the exercise by the Collateral Agent of any of the rights hereunder shall not release any Grantor from any of its duties or obligations under the contracts and agreements included in the Collateral and (ii) no Secured Party shall have any obligation or liability under the contracts and agreements included in the Collateral by reason of this Agreement or any other Loan Document, nor shall any Secured Party be obligated to perform any of the obligations or duties of any Grantor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

Section 4.2 Delivery of Pledged Collateral. Each Grantor will promptly deliver to the Collateral Agent (or itsnon-fiduciary agent or designee) upon execution of this Agreement (or at such later time as permitted under the Credit Agreement or as the Collateral Agent may agree) all certificates or instruments, if any, representing or evidencing the Pledged Collateral (other than checks received in the ordinary course of business), together with duly executed instruments of transfer or assignments in blank.

Section 4.3 Uncertificated Pledged Collateral. Unless otherwise consented to by the Collateral Agent, Equity Interests required to be pledged hereunder in any Domestic Subsidiary that is organized as a limited liability company or limited partnership and pledged hereunder will either (i) be represented by a certificate, and in the organizational documents of such entity, the applicable Grantor shall cause the issuer of such interests to elect to treat such interests as a "security" within the meaning of Article 8 of the UCC of its jurisdiction of organization or formation, as applicable, by including in its organizational documents language substantially similar to the following and, accordingly, such interests shall be governed by Article 8 of the UCC:

> "The [partnership/limited liability company] hereby irrevocably elects that all [partnership/membership] interests in the [partnership/limited liability company] shall be securities governed by Article 8 of the Uniform Commercial Code of [jurisdiction of organization or formation, as applicable]. Each certificate evidencing [partnership/membership] interests in the [partnership/limited liability company] shall bear the following legend: 'This certificate evidences an interest in [name of [partnership/limited liability company]] and shall be a security for purposes of Article 8 of the Uniform Commercial Code.' No change to this provision shall be effective until all outstanding certificates have been surrendered for cancellation and any new certificates thereafter issued shall not bear the foregoing legend."

or (ii) not be represented by a certificate and the applicable Grantor shall cause the issuer of such interests not to have elected to treat such interests as a "security" within the meaning of Article 8 of the UCC.

Section 4.4 Pledged Collateral.

(a) Registration in Nominee Name; Denominations. The Collateral Agent (or itsnon-fiduciary agent or designee), on behalf of the Secured Parties, shall hold certificated Pledged Collateral in the name of the applicable Grantor, endorsed or assigned in blank or in favor of the Collateral Agent. Following the occurrence and during the continuance of an Event of Default upon written request therefor, each Grantor will promptly give to the Collateral Agent (or its non-fiduciary agent or designee) copies of any notices or other communications received by it with respect to Pledged Collateral registered in the name of such Grantor. Following the occurrence and during the continuance of an Event of Default and after prior written notice to the applicable Grantor, the Collateral Agent (or its non-fiduciary agent or designee) shall at all times have the right to exchange the certificates representing Pledged Collateral for certificates of smaller or larger denominations for any purpose consistent with this Agreement.

(b) Exercise of Rights in Pledged Collateral.

(i) Without in any way limiting the foregoing and subject to clause (ii) below, each Grantor has the right to exercise all voting rights or other rights relating to the Pledged Collateral for all purposes not in conflict with the Loan Documents; *provided*, *however*, that no vote or other right shall be exercised or action taken that would reasonably be expected to have the effect of materially and adversely impairing the rights of the Collateral Agent in respect of the Pledged Collateral (except as expressly permitted under the terms and conditions of the Loan Documents). The Collateral Agent will promptly execute and deliver to each Grantor, or cause to be executed and delivered to such Grantor, all such proxies, powers of attorney and other instruments as such Grantor may reasonably request in writing for the purpose of enabling such Grantor to exercise such voting or other rights, in each case as specified in such request and in form and substance reasonably satisfactory to the Collateral Agent and such Grantor.

(ii) Each Grantor will permit the Collateral Agent (or itsnon-fiduciary agent or designee) at any time after the occurrence and during the continuance of an Event of Default, after prior written notice to the applicable Grantor, to exercise all voting rights or other rights relating to Pledged Collateral, including exchange, subscription or any other rights, privileges, or options pertaining to any Equity Interest or Investment Property constituting Pledged Collateral as if it were the absolute owner thereof; *provided* that, unless otherwise directed by the Required Lenders, the Collateral Agent will have the right at any time after the occurrence and during the continuance of an Event of Default to permit the Grantors to exercise such rights; *provided further* that the exercise of rights and remedies with respect to Pledged Collateral constituting Equity Interests of a Subsidiary is and will remain limited by and subject to the requirements of any and all applicable requirements of Law (including rules and regulations of any self-regulatory organization of which such Subsidiary is a member).

(iii) Each Grantor is entitled to receive and retain any and all dividends, interest, principal and other distributions paid on or distributed in respect of the Pledged Collateral to the extent and only to the extent that such dividends, interest, principal and other distributions are permitted by, and otherwise paid or distributed in accordance with, the terms and conditions of the Loan Documents and applicable law; *provided*, *however*, that any non-cash dividends, interest, principal or other distributions that would constitute Pledged Collateral, whether resulting from a subdivision, combination or reclassification of the outstanding Equity Interests of the issuer of any Pledged Collateral or received in

exchange for Pledged Collateral or any part thereof, or in redemption thereof, or as a result of any merger, consolidation, acquisition or other exchange of assets to which such issuer may be a party or otherwise, shall be and become part of the Pledged Collateral, and, if received by any Grantor, shall not be commingled by such Grantor with any of its other funds or property, but shall be held in trust for the benefit of the Secured Parties and shall be promptly delivered to the Collateral Agent (or its non-fiduciary agent or designee) in the same form as so received (with any necessary endorsement or instrument of assignment). So long as no Event of Default has occurred and is continuing, the Collateral Agent shall promptly deliver to each Grantor (at the expense of such Grantor) any Pledged Collateral in its possession if requested to be delivered to the issuer thereof in connection with any exchange, redemption or sale of such Pledged Collateral permitted pursuant to the terms of the Credit Agreement.

Section 4.5 Intellectual Property.

(a) Upon the occurrence and during the continuance of an Event of Default, at the request of the Collateral Agent, each Grantor will use commercially reasonable efforts to obtain all consents and approvals necessary or appropriate for the assignment to or for the benefit of the Collateral Agent of any License held by such Grantor in order to enforce the security interests granted hereunder.

(b) Each Grantor shall in its reasonable business judgment notify the Collateral Agent promptly if it knows or reasonably expects that any application or registration relating to any Patent, Trademark or Copyright (now or hereafter existing) included in the Collateral and material to the conduct of such Grantor's business may become abandoned or dedicated to the public, or of any material adverse determination or material adverse development (including the institution of, or any such determination or development in, any proceeding in the USPTO, the Copyright Office or any court) regarding such Grantor's ownership of any such material registered or applied for Patent, Trademark or Copyright, its right to register the same, or to keep and maintain the same.

(c) In the event that any Grantor, either directly or through any agent, employee, licensee or designee, files an application for the registration of any material Patent, Trademark or Copyright with the USPTO or the Copyright Office or otherwise becomes the owner of any material Patent, Trademark or Copyright registered or applied for in the USPTO or the Copyright Office, such Grantor will, together with the delivery of a Compliance Certificate with respect to the financial statements delivered pursuant to Section 6.01(1) of the Credit Agreement, provide the Collateral Agent with a report setting forth the information required by Section (II)(B) of the Perfection Certificate (or confirming that there has been no change in such information since the latter of the Closing Date or the last such report), and, upon request of the Collateral Agent, such Grantor shall promptly execute and deliver any and all security agreements or other instruments as the Collateral Agent may reasonably request to evidence the Collateral Agent's security interest in such Patent, Trademark or Copyright, and the General Intangibles of such Grantor relating thereto or represented thereby.

(d) Except to the extent permitted by Section 4.5(f) below, each Grantor shall take all actions necessary or reasonably requested by the Collateral Agent to maintain and pursue each material application, to obtain the relevant registration and to maintain the registration of each of the Patents, Trademarks and Copyrights (now or hereafter existing) material to the conduct of such Grantor's business (including the filing of applications for renewal, affidavits of use, affidavits of non-contestability and, if consistent with good business judgment, to initiate

opposition and interference and cancellation proceedings against third parties), except in cases where (y) the failure to do so would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, or (z) in the ordinary course of business consistent with past practice, such Grantor reasonably decides to abandon, allow to lapse or expire any Patent, Trademark or Copyright.

(e) In the event any Grantor shall become aware of any infringement, misappropriation, or dilution of any material Patent, Trademark or Copyright owned by such Grantor and included in the Collateral, such Grantor shall, unless it shall reasonably determine that such Patent, Trademark or Copyright is not material to the conduct of its business, promptly notify the Collateral Agent and shall, if consistent with good business judgment, promptly sue for infringement, misappropriation or dilution of such material Patent, Trademark or Copyright and take reasonable steps to recover any and all damages for such infringement, misappropriation or dilution, or shall take such other actions as are appropriate under the circumstances in its reasonable business judgment to protect such Patent, Trademark or Copyright.

(f) Nothing in this Agreement shall prevent any Grantor from disposing of, discontinuing the use or maintenance of, abandoning, failing to pursue or enforce, or otherwise allowing to lapse, terminate or put into the public domain, any of its Collateral constituting Intellectual Property to the extent permitted by the Credit Agreement if such Grantor determines in its reasonable business judgment that such disposition, discontinuance, abandonment or other action (or non-action) is desirable in the conduct of its business.

Section 4.6 Commercial Tort Claims. Each Grantor shall promptly notify the Collateral Agent of any Commercial Tort Claims for which such Grantor has filed complaint(s) in court(s) of competent jurisdiction and, unless the Collateral Agent otherwise consents, such Grantor shall update Schedule III hereof, thereby granting to the Collateral Agent a security interest in such Commercial Tort Claim(s). The requirement in the preceding sentence shall not apply to the extent that the amount of such Commercial Tort Claim does not exceed $7,500,000 held by each Grantor or to the extent such Grantor shall have previously notified the Collateral Agent with respect to any previously held or acquired Commercial Tort Claim.

ARTICLE V

REMEDIES

Section 5.1 Remedies. Upon the occurrence and during the continuance of an Event of Default and after written notice by the Collateral Agent to the Borrower of its intent to do so:

(a) the Collateral Agent may (and at the direction of the Required Lenders, shall) exercise any or all of the following rights and remedies:

(i) those rights and remedies provided in this Agreement, the Credit Agreement or any other Loan Document;

(ii) those rights and remedies available to a secured party under the UCC (whether or not the UCC applies to the affected Collateral) or under any other applicable law (including any law governing the exercise of a bank's right of setoff or bankers' Lien) when a debtor is in default under a security agreement;

(iii) give notice of sole control or any other instruction under any control or similar agreement and take any action provided therein with respect to the applicable Collateral;

(iv) enter the premises of any Grantor where any Collateral is located (with or without judicial process) for a reasonable period of time to, subject to the mandatory requirements of applicable Law, collect, receive, assemble, process, appropriate, sell, lease, assign, grant an option or options to purchase or otherwise dispose of, deliver, or realize upon, the Collateral or any part thereof in one or more parcels at public or private sale or sales (which sales may be adjourned or continued from time to time with or without notice and may take place at such Grantor's premises or elsewhere), for cash, on credit or for future delivery without assumption of any credit risk, and upon such other terms as the Collateral Agent may deem commercially reasonable; *provided* that the Collateral Agent will provide the applicable Grantor with notice thereof prior to or promptly after such occupancy; and

(v) transfer and register in its name or in the name of its nominee the whole or any part of the Pledged Collateral, to exchange certificates or instruments representing or evidencing Pledged Collateral for certificates or instruments of smaller or larger denominations, to exercise the voting and all other rights as a holder with respect thereto, to collect and receive all cash dividends, interest, principal and other distributions made thereon and to otherwise act with respect to the Pledged Collateral as though the Collateral Agent was the outright owner thereof;

provided, *however*, that the exercise of rights and remedies with respect to Pledged Collateral constituting Equity Interests of any Subsidiary is and will remain limited by and subject to the requirements of any and all applicable requirements of Law (including rules and regulations of any self-regulatory organization of which such Subsidiary is a member).

(b) Each Grantor acknowledges and agrees that the compliance by the Collateral Agent, on behalf of the Secured Parties, with any applicable state or federal law requirements in connection with a disposition of the Collateral will not be considered to adversely affect the commercial reasonableness of any sale of the Collateral.

(c) The Collateral Agent shall have the right upon any public sale or sales and, to the extent permitted by law, upon any private sale or sales, to purchase for the benefit of the Collateral Agent and the Secured Parties, the whole or any part of the Collateral so sold, free of any right of equity redemption, which equity redemption each Grantor hereby expressly releases to the extent permitted by applicable Law.

(d) Until the Collateral Agent is able to effect a sale, lease, transfer or other disposition of Collateral, the Collateral Agent shall have the right to hold or use Collateral, or any part thereof, to the extent that it deems appropriate for the purpose of preserving Collateral or the value of the Collateral, or for any other purpose deemed appropriate by the Collateral Agent. The Collateral Agent may, if it so elects, seek the appointment of a receiver or keeper to take possession of Collateral and to enforce any of the Collateral Agent's remedies (for the benefit of the Collateral Agent and Secured Parties) with respect to such appointment without prior notice or hearing as to such appointment.

(e) Notwithstanding the foregoing, neither the Collateral Agent nor the Secured Parties shall be required to (i) make any demand upon, or pursue or exhaust any of their rights or

remedies against, the Grantors, any other obligor, guarantor, pledgor or any other Person with respect to the payment of the Secured Obligations or to pursue or exhaust any of their rights or remedies with respect to any Collateral therefor or any direct or indirect guarantee thereof, (ii) marshal the Collateral or any guarantee of the Secured Obligations or to resort to the Collateral or any such guarantee in any particular order, or (iii) effect a public sale of any Collateral.

(f) Each Grantor recognizes that the Collateral Agent may be unable to effect a public sale of any or all the Pledged Collateral and may be compelled to resort to one or more private sales thereof. Each Grantor also acknowledges that any private sale may result in prices and other terms less favorable to the seller than if such sale were a public sale and, notwithstanding such circumstances, agrees that any such private sale shall not be deemed to have been made in a commercially unreasonable manner solely by virtue of such sale being private. The Collateral Agent shall be under no obligation to delay a sale of any of the Pledged Collateral for the period of time necessary to permit any Grantor or the issuer of the Pledged Collateral to register such securities for public sale under the Securities Act or under applicable state securities laws, even if any Grantor and the issuer would agree to do so (it being acknowledged and agreed that no Grantor shall have any obligation hereunder to do so).

Section 5.2 Grantors' Obligations Upon Default. Upon the written request of the Collateral Agent after the occurrence and during the continuance of an Event of Default, each Grantor will:

(a) assemble and make available to the Collateral Agent the Collateral and all books and records relating thereto at any place or places reasonably specified by the Collateral Agent, whether at such Grantor's premises or elsewhere; and

(b) permit the Collateral Agent, by the Collateral Agent's representatives and agents, to enter, occupy and use any premises where all or any part of the Collateral, or the books and records relating thereto, or both, are located, to take possession of all or any part of the Collateral or the books and records relating thereto, or both, to remove all or any part of the Collateral or the books and records relating thereto, or both, and to conduct sales of the Collateral, without any obligation to pay any Grantor for such use and occupancy.

Section 5.3 Grant of Intellectual Property License. For the purpose of enabling the Collateral Agent to exercise the rights and remedies under this Article V upon the occurrence and during the continuance of an Event of Default, at such time as the Collateral Agent shall be lawfully entitled to exercise such rights and remedies, each Grantor hereby (a) grants to the Collateral Agent, for the benefit of the Collateral Agent and the Secured Parties, a nonexclusive license (exercisable without payment of royalty or other compensation to such Grantor) to use, license or sublicense any Intellectual Property rights now owned or hereafter acquired by such Grantor, wherever the same may be located, and including in such license access to all media in which any of the licensed items may be recorded or stored and to all computer software and programs used for the compilation or printout thereof; *provided*, *however*, (i) that such licenses to be granted hereunder with respect to Trademarks shall be subject to the maintenance of quality standards with respect to the goods and services on which such Trademarks are used sufficient to preserve the validity of such Trademarks; (ii) that such licenses granted with regard to trade secrets shall be subject to the requirement that the secret status trade secrets be maintained and reasonable steps are taken to ensure that they are maintained; and (iii) that the Collateral Agent shall have no greater rights than those of any such Grantor under such license or sublicense; and (b) as to the rights of Grantor's themselves, and subject to the rights of any third party at law, in equity, or pursuant to any license agreement entered into by a Grantor, irrevocably agrees that, at any time and from time to time

following the occurrence and during the continuance of an Event of Default, the Collateral Agent may sell or license any Grantor's Inventory directly to any Person, including Persons who have previously purchased any Grantor's Inventory from such Grantor and in connection with any such sale or other enforcement of the Collateral Agent's rights under this Agreement, may (subject to any restrictions contained in applicable third party licenses entered into by a Grantor) sell Inventory which bears any Trademark owned by or licensed to any Grantor and any Inventory that is covered by any intellectual property interest owned by or licensed to such Grantor and the Collateral Agent may finish any work in process and affix any relevant Trademark owned by or licensed to any Grantor and sell such Inventory as provided herein. The use of the license granted pursuant to clause (a) of the preceding sentence by the Collateral Agent may be exercised, at the option of the Collateral Agent, only upon the occurrence and during the continuance of an Event of Default; *provided*, *however*, that any permitted license, sublicense or other transaction entered into by the Collateral Agent in accordance herewith shall be binding upon each Grantor notwithstanding any subsequent cure of an Event of Default.

ARTICLE VI

ACCOUNT VERIFICATION; ATTORNEY IN FACT; PROXY

Section 6.1 Account Verification. The Grantors acknowledge that after the occurrence and during the continuance of an Event of Default after at least two Business Days' prior written notice to the relevant Grantor of its intent to do so, the Collateral Agent may in its own name, or in the name of such Grantor, communicate with the Account Debtors of such Grantor to verify with such Persons the existence, amount and terms of, and any other matter reasonably relating to, the Accounts owing by such Account Debtor to such Grantor (including any Instruments, Chattel Paper, payment intangibles and/or other Receivables that are Collateral relating to such Accounts).

Section 6.2 Authorization for Secured Party to Take Certain Action

(a) Each Grantor hereby (i) authorizes the Collateral Agent, at any time and from time to time in the sole discretion of the Collateral Agent (1) to execute on behalf of such Grantor as debtor and to file financing statements necessary or desirable in the Collateral Agent's reasonable discretion to perfect and to maintain the perfection and priority of the Collateral Agent's Security Interest in the Collateral, including to file financing statements permitted under Section 4.1(b) and (2) to file a carbon, photographic or other reproduction of this Agreement or any financing statement with respect to the Collateral as a financing statement and to file any other financing statement or amendment of a financing statement (which would not add new collateral or add a debtor) in such offices as the Collateral Agent in its reasonable discretion deems necessary or desirable to perfect and to maintain the perfection and priority of the Collateral Agent's security interest in the Collateral, including to file financing statements permitted under Section 4.1(b) and (ii) appoints, effective upon the occurrence and during the continuance of an Event of Default, the Collateral Agent as its attorney in fact (1) to discharge past due taxes, assessments, charges, fees or Liens on the Collateral (except for such Liens as are specifically permitted by Section 7.01 of the Credit Agreement), (2) to endorse and collect any cash proceeds of the Collateral and to apply the proceeds of any Collateral received by the Collateral Agent to the Secured Obligations as provided in Section 8.03 of the Credit Agreement, (3) to demand payment or enforce payment of the Receivables in the name of the Collateral Agent or any Grantor and to endorse any and all checks, drafts, and other instruments for the payment of money relating to the Receivables, (4) to sign any Grantor's name on any invoice or bill of lading relating to the Receivables, drafts against any Account Debtor of such Grantor, assignments and verifications of Receivables, (5) to exercise all of any Grantor's rights and remedies with respect to the collection of the Receivables and any other Collateral, (6) to settle,

adjust, compromise, extend or renew the Receivables, (7) to settle, adjust or compromise any legal proceedings brought to collect Receivables, (8) to prepare, file and sign any Grantor's name on a proof of claim in bankruptcy or similar document against any Account Debtor of such Grantor, (9) to prepare, file and sign any Grantor's name on any notice of Lien, assignment or satisfaction of Lien or similar document in connection with the Receivables, and (10) to use information contained in any data processing, electronic or information systems relating to Collateral; and each Grantor agrees to reimburse the Collateral Agent for any reasonable payment made or any reasonable documented expense incurred by the Collateral Agent in connection with any of the foregoing, in accordance with, and solely to the extent required by, the provisions Section 10.04 of the Credit Agreement; *provided* that, this authorization shall not relieve any Grantor of any of its obligations under this Agreement or under the Credit Agreement.

(b) All acts of said attorney or designee are hereby ratified and approved by the Grantors. The powers conferred on the Collateral Agent, for the benefit of the Collateral Agent and Secured Parties, under this Section 6.2 are solely to protect the Collateral Agent's interests in the Collateral and shall not impose any duty upon the Collateral Agent or any Secured Party to exercise any such powers.

Section 6.3 PROXY. EACH GRANTOR HEREBY IRREVOCABLY CONSTITUTES AND APPOINTS, EFFECTIVE UPON THE OCCURRENCE AND DURING THE CONTINUANCE OF AN EVENT OF DEFAULT, THE COLLATERAL AGENT AS ITS PROXY AND ATTORNEY-IN-FACT (AS SET FORTH IN SECTION 6.2 ABOVE) WITH RESPECT TO THE PLEDGED COLLATERAL, INCLUDING THE RIGHT TO VOTE SUCH PLEDGED COLLATERAL, WITH FULL POWER OF SUBSTITUTION TO DO SO. IN ADDITION TO THE RIGHT TO VOTE ANY SUCH PLEDGED COLLATERAL, THE APPOINTMENT OF THE COLLATERAL AGENT AS PROXY AND ATTORNEY-IN-FACT SHALL INCLUDE THE RIGHT TO EXERCISE ALL OTHER RIGHTS, POWERS, PRIVILEGES AND REMEDIES TO WHICH A HOLDER OF SUCH PLEDGED COLLATERAL WOULD BE ENTITLED (INCLUDING GIVING OR WITHHOLDING WRITTEN CONSENTS OF SHAREHOLDERS, CALLING SPECIAL MEETINGS OF SHAREHOLDERS AND VOTING AT SUCH MEETINGS). SUCH PROXY SHALL BE EFFECTIVE, AUTOMATICALLY AND WITHOUT THE NECESSITY OF ANY ACTION (INCLUDING ANY TRANSFER OF ANY SUCH PLEDGED COLLATERAL ON THE RECORD BOOKS OF THE ISSUER THEREOF) BY ANY PERSON (INCLUDING THE ISSUER OF SUCH PLEDGED COLLATERAL OR ANY OFFICER OR COLLATERAL AGENT THEREOF), UPON THE OCCURRENCE AND DURING THE CONTINUANCE OF AN EVENT OF DEFAULT.

Section 6.4 NATURE OF APPOINTMENT; LIMITATION OF DUTY. THE APPOINTMENT OF THE COLLATERAL AGENT AS PROXY AND ATTORNEY-IN-FACT IN THIS ARTICLE VI IS COUPLED WITH AN INTEREST AND SHALL BE IRREVOCABLE UNTIL THE DATE ON WHICH THIS AGREEMENT IS TERMINATED IN ACCORDANCE WITH SECTION 7.12. NOTWITHSTANDING ANYTHING CONTAINED HEREIN, NEITHER THE COLLATERAL AGENT, NOR ANY SECURED PARTY, NOR ANY OF THEIR RESPECTIVE AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES, COLLATERAL AGENTS OR REPRESENTATIVES SHALL HAVE ANY DUTY TO EXERCISE ANY RIGHT OR POWER GRANTED HEREUNDER OR OTHERWISE OR TO PRESERVE THE SAME AND SHALL NOT BE LIABLE FOR ANY FAILURE TO DO SO OR FOR ANY DELAY IN DOING SO, EXCEPT TO THE EXTENT SUCH DAMAGES ARE ATTRIBUTABLE TO THEIR OWN GROSS NEGLIGENCE, BAD FAITH OR WILLFUL MISCONDUCT AS FINALLY DETERMINED BY A COURT OF COMPETENT JURISDICTION; PROVIDED THAT, IN NO EVENT SHALL THEY BE LIABLE FOR ANY PUNITIVE, EXEMPLARY, INDIRECT OR CONSEQUENTIAL DAMAGES.

ARTICLE VII

GENERAL PROVISIONS

Section 7.1 Waivers. Each Grantor hereby waives notice of the time and place of any public sale or the time after which any private sale or other disposition of all or any part of the Collateral may be made. To the extent such notice may not be waived under applicable law, any notice made shall be deemed reasonable if sent to the Grantors, addressed as set forth in Article VIII, at least ten days prior to (i) the date of any such public sale or (ii) the time after which any such private sale or other disposition may be made. To the maximum extent permitted by applicable law, each Grantor waives all claims, damages, and demands against the Collateral Agent or any Secured Party arising out of the repossession, retention or sale of the Collateral (after the occurrence and during the continuance of an Event of Default), except such as arise solely out of the gross negligence, bad faith or willful misconduct of the Collateral Agent or such Secured Party as finally determined by a court of competent jurisdiction. To the extent it may lawfully do so, each Grantor absolutely and irrevocably waives and relinquishes the benefit and advantage of, and covenants not to assert against the Collateral Agent or any Secured Party, any valuation, stay, appraisal, extension, moratorium, redemption or similar laws and any and all rights or defenses it may have as a surety now or hereafter existing which, but for this provision, might be applicable to the sale of any Collateral after the occurrence of and during the continuance of an Event of Default, made under the judgment, order or decree of any court, or privately under the power of sale conferred by this Agreement, or otherwise. Except as otherwise specifically provided herein, each Grantor hereby waives presentment, demand, protest or any notice (to the maximum extent permitted by applicable law) of any kind in connection with this Agreement or any Collateral.

Section 7.2 Limitation on Collateral Agent's and Secured Party's Duty with Respect to the Collateral The Collateral Agent shall have no obligation to clean-up or otherwise prepare the Collateral for sale. The Collateral Agent and each Secured Party shall use reasonable care with respect to the Collateral in its possession or under its control. Neither the Collateral Agent, nor any Secured Party shall have any other duty as to any Collateral in its possession or control or in the possession or control of any agent or nominee of the Collateral Agent or such Secured Party, or any income thereon or as to the preservation of rights against prior parties or any other rights pertaining thereto. To the extent that applicable law imposes duties on the Collateral Agent to exercise remedies, after the occurrence and during the continuance of an Event of Default, in a commercially reasonable manner, each Grantor acknowledges and agrees that it would be commercially reasonable for the Collateral Agent (i) to fail to incur expenses deemed significant by the Collateral Agent to prepare Collateral for disposition or otherwise to transform raw material or work in process into finished goods or other finished products for disposition, (ii) to fail to obtain third party consents for access to Collateral to be disposed of, or to obtain or, if not required by other law, to fail to obtain governmental or third party consents for the collection or disposition of Collateral to be collected or disposed of, (iii) to fail to exercise collection remedies against Account Debtors or other Persons obligated on Collateral or to remove Liens on or any adverse claims against Collateral, (iv) to exercise collection remedies against Account Debtors and other Persons obligated on Collateral directly or through the use of collection agencies and other collection specialists, (v) to advertise dispositions of Collateral through publications or media of general circulation, whether or not the Collateral is of a specialized nature, (vi) to contact other Persons, whether or not in the same business as a Grantor, for expressions of interest in acquiring all or any portion of such Collateral, (vii) to hire one or more professional auctioneers to assist in the disposition of Collateral, whether or not the Collateral is of a specialized nature, (viii) to dispose of Collateral by utilizing internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capacity of doing so, or that match buyers and sellers of assets, (ix) to dispose of assets in wholesale rather than retail markets, (x) to disclaim disposition warranties, such as title, possession or quiet enjoyment, (xi) to purchase insurance or credit enhancements at the Grantors' cost to insure the Collateral Agent against

risks of loss, collection or disposition of Collateral or to provide to the Collateral Agent a guaranteed return from the collection or disposition of Collateral, or (xii) to the extent deemed appropriate by the Collateral Agent, to obtain the services of other brokers, investment bankers, consultants and other professionals to assist the Collateral Agent in the collection or disposition of any of the Collateral. Each Grantor acknowledges that the purpose of this Section 7.2 is to provide non-exhaustive indications of what actions or omissions by the Collateral Agent would be commercially reasonable in the Collateral Agent's exercise of remedies against the Collateral, after the occurrence and during the continuance of an Event of Default, and that other actions or omissions by the Collateral Agent shall not be deemed commercially unreasonable solely on account of not being indicated in this Section 7.2. Without limitation upon the foregoing, nothing contained in this Section 7.2 shall be construed to grant any rights to any Grantor or to impose any duties on the Collateral Agent that would not have been granted or imposed by this Agreement or by applicable law in the absence of this Section 7.2.

Section 7.3 Compromises and Collection of Collateral. Each Grantor and the Collateral Agent recognize that setoffs, counterclaims, defenses and other claims may be asserted by obligors with respect to certain of the Receivables, that certain of the Receivables may be or become uncollectible in whole or in part and that the expense and probability of success in litigating a disputed Receivable may exceed the amount that reasonably may be expected to be recovered with respect to a Receivable. In view of the foregoing, each Grantor agrees that the Collateral Agent may at any time and from time to time, if an Event of Default has occurred and is continuing, compromise with the obligor on any Receivable, accept in full payment of any Receivable such amount as the Collateral Agent in its sole discretion shall determine or abandon any Receivable, and any such action by the Collateral Agent shall be commercially reasonable so long as the Collateral Agent acts in good faith based on information known to it at the time it takes any such action.

Section 7.4 Secured Party Performance of Debtor Obligations. Without having any obligation to do so, following the occurrence and during the continuance of an Event of Default, the Collateral Agent may perform or pay any obligation which any Grantor has agreed to perform or pay under this Agreement and such Grantor shall reimburse the Collateral Agent for any amounts paid by the Collateral Agent pursuant to this Section 7.4 in accordance with Section 10.04 of the Credit Agreement. Each Grantor's obligation to reimburse the Collateral Agent pursuant to the preceding sentence shall be a Secured Obligation payable in accordance with Section 10.04 of the Credit Agreement.

Section 7.5 No Waiver; Amendments; Cumulative Remedies. No failure or delay by the Collateral Agent or any Secured Party in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Collateral Agent and the Secured Parties hereunder are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by any Secured Party therefrom shall in any event be effective unless in writing signed by the Collateral Agent to the extent discretion is given to the Collateral Agent herein or pursuant to any other Loan Documents, or otherwise by the Collateral Agent with the concurrence or at the direction of the Lenders required under Section 10.01 of the Credit Agreement (if any), and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given.

Section 7.6 Limitation by Law; Severability of Provisions. All rights, remedies and powers provided in this Agreement may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law, and all the provisions of this Agreement are intended to be subject to all applicable mandatory provisions of law that may be controlling and limited to the extent necessary so that they shall not render this Agreement invalid, unenforceable or not entitled to be

recorded or registered, in whole or in part. Any provision in this Agreement that is held to be inoperative, unenforceable, or invalid in any jurisdiction shall, as to that jurisdiction, be inoperative, unenforceable, or invalid without affecting the remaining provisions in that jurisdiction or the operation, enforceability, or validity of that provision in any other jurisdiction, and to this end the provisions of this Agreement are declared to be severable.

Section 7.7 Security Interest Absolute. To the extent permitted by Law, all rights of the Collateral Agent hereunder, the Security Interest and all obligations of each Grantor hereunder shall be absolute and unconditional irrespective of (a) any lack of validity or enforceability any Loan Document, any Secured Hedge Agreements, any Cash Management Services, any agreement with respect to any of the Secured Obligations or any other agreement or instrument relating to any of the foregoing, (b) any change in the time, manner or place of payment of, or in any other term of, all or any of the Secured Obligations, or any other amendment or waiver of or any consent to any departure from the Credit Agreement, any other Loan Document, any Secured Hedge Agreements, any Cash Management Services, or any other agreement or instrument, (c) any exchange, release or non-perfection of any Lien on other collateral, or any release or amendment or waiver of or consent under or departure from any guarantee, securing or guaranteeing all or any of the Secured Obligations or (d) subject only to termination or release of a Grantor's obligations hereunder in accordance with the terms of Section 7.12, but without prejudice to reinstatement rights under Section 2.04 of the Guaranty, any other circumstance that might otherwise constitute a defense available to, or a discharge of, any Grantor in respect of the Secured Obligations or this Agreement.

Section 7.8 Benefit of Agreement. The terms and provisions of this Agreement shall be binding upon and inure to the benefit of each Grantor, the Collateral Agent and the Secured Parties and their respective successors and permitted assigns (including all Persons who become bound as a debtor to this Agreement), except that no Grantor shall have the right to assign its rights or delegate its obligations under this Agreement or any interest herein, without the prior written consent of the Collateral Agent. No sales of participations, assignments, transfers, or other dispositions of any agreement governing the Secured Obligations or any portion thereof or interest therein shall in any manner impair the Lien granted to the Collateral Agent, for the benefit of the Collateral Agent and the Secured Parties, hereunder.

Section 7.9 Survival of Representations. All representations and warranties of each Grantor contained in this Agreement shall survive the execution and delivery of this Agreement.

Section 7.10 Expenses. Solely to the extent required by Section 10.04 of the Credit Agreement, each Grantor jointly and severally agrees to reimburse the Collateral Agent for any and all reasonable and documented out-of-pocket expenses paid or incurred by the Collateral Agent in connection with the preparation, execution, delivery, administration, collection and enforcement of this Agreement and in the audit, analysis, administration, collection, preservation or sale of the Collateral. Any and all costs and expenses incurred by any Grantor in the performance of actions required pursuant to the terms hereof shall be borne solely by such Grantor.

Section 7.11 Additional Grantors. Pursuant to and in accordance with Section 6.11 of the Credit Agreement, each Grantor shall cause (i) each Material Subsidiary (other than any Excluded Subsidiary) formed or acquired after the date of this Agreement in accordance with the terms of the Credit Agreement and (ii) any Material Subsidiary that was an Excluded Subsidiary but has ceased to be an Excluded Subsidiary, to enter into this Agreement as a Grantor by executing a Joinder. For avoidance of doubt, the Borrower may, in its sole discretion, cause any Restricted Subsidiary that is not required to join this Agreement as a Grantor to execute a Joinder. Upon execution and delivery by the Collateral Agent and such Subsidiary of a Joinder, such Subsidiary shall become a Grantor hereunder with the same force and effect as if originally named a Grantor herein. The execution and delivery of any such instrument

shall not require the consent of any other Grantor hereunder. The rights and obligations of each Grantor hereunder will remain in full force and effect notwithstanding the addition of any new Grantor as a party to this Agreement.

Section 7.12 Termination or Release.

(a) This Agreement shall continue in effect until, and shall terminate upon, the satisfaction of the Termination Conditions.

(b) A Grantor shall automatically be released from its obligations hereunder and the security interests created hereunder in the Collateral of such Grantor shall be automatically released in the circumstances set forth in Section 9.12 and Section 10.24 of the Credit Agreement, including, with respect to any Subsidiary Guarantor, as a result of any transaction permitted under the Credit Agreement pursuant to which such Subsidiary Guarantor ceases to be a Subsidiary of a Borrower.

(c) Upon any sale, transfer or other disposition by any Grantor of any Collateral that is permitted under Section 4.1(d) to any Person that is not another Grantor, or upon the effectiveness of any written consent to the release of the security interest granted hereby in any Collateral as set forth in Section 9.12 or 10.24 of the Credit Agreement, the security interest in such Collateral shall be automatically released.

(d) The security interests granted hereunder on any Collateral, to the extent such Collateral is comprised of property leased to a Grantor, shall be automatically released upon termination or expiration of such lease, pursuant to Section 9.12 or 10.24 of the Credit Agreement.

(e) The security interest in any Collateral shall be automatically released in any circumstance set forth in Section 9.12 or 10.24 of the Credit Agreement or upon any release of the Lien on such Collateral in accordance with Section 9.12 or 10.24 of the Credit Agreement.

(f) In connection with any termination or release pursuant to Section 7.12 (a), (b), (c), (d) or (e), the Collateral Agent shall promptly execute and deliver to any Grantor, at such Grantor's expense, all UCC termination statements and similar documents that such Grantor shall reasonably request to evidence such termination or release and shall perform such other actions reasonably requested by such Grantor to effect such release, including delivery of certificates, securities and instruments. Any execution and delivery of documents pursuant to this Section 7.13 shall be without recourse to or representation or warranty by the Collateral Agent or any Secured Party. Without limiting the provisions of Section 7.10, the Borrower shall reimburse (or cause to be reimbursed) the Collateral Agent in accordance with Section 10.04 of the Credit Agreement for all reasonable and documented out-of-pocket costs and expenses, including the fees, charges and expenses of counsel, incurred by it in connection with any action contemplated by this Section 7.12.

Section 7.13 Entire Agreement. This Agreement, together with the other Loan Documents, embodies the entire agreement and understanding between each Grantor and the Collateral Agent relating to the Collateral and supersedes all prior agreements and understandings, oral or written, between any Grantor and the Collateral Agent relating to the Collateral.

Section 7.14 GOVERNING LAW, ETC.

(a) GOVERNING LAW. THIS AGREEMENT WILL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES THEREOF THAT WOULD RESULT IN THE APPLICATION OF ANY LAW OTHER THAN THE LAW OF THE STATE OF NEW YORK (OTHER THAN ANY MANDATORY PROVISIONS OF LAW RELATING TO THE LAW GOVERNING PERFECTION AND THE EFFECT OF PERFECTION OF THE SECURITY INTEREST).

(b) CONSENT TO JURISDICTION. EACH GRANTOR, THE COLLATERAL AGENT AND EACH OTHER SECURED PARTY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK CITY IN THE BOROUGH OF MANHATTAN AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. EACH PARTY HERETO AGREES THAT THE COLLATERAL AGENT AND SECURED PARTIES RETAIN THE RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO BRING PROCEEDINGS AGAINST ANY GRANTOR IN THE COURTS OF ANY OTHER JURISDICTION IN CONNECTION WITH THE EXERCISE OF ANY RIGHTS UNDER ANY COLLATERAL DOCUMENT OR THE ENFORCEMENT OF ANY JUDGMENT.

(c) VENUE. EACH GRANTOR, THE COLLATERAL AGENT AND EACH OTHER SECURED PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN PARAGRAPH (b) OF THIS SECTION 7.14. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

Section 7.15 WAIVER OF RIGHT TO TRIAL BY JURY. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF

ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 7.15.

Section 7.16 Service of Process. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 8.1. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

Section 7.17 Indemnity, Subrogation and Subordination.

(a) Each Grantor hereby agrees to indemnify and hold harmless the Collateral Agent, the other Secured Parties, and their respective Related Persons (collectively, the "Indemnitees") against any and all losses, claims, damages, liabilities or expenses (including Attorney Costs and Environmental Liability) to which any such Indemnitee may become subject arising out of, resulting from or in connection with (but limited, in the case of legal fees and expenses, to the reasonable and documented out-of-pocket fees, disbursements and other charges of one counsel to all Indemnitees taken as a whole and, if reasonably necessary, a single local counsel for all Indemnitees taken as a whole in each relevant jurisdiction, and solely in the case of a conflict of interest, one additional counsel in each relevant jurisdiction to each group of affected Indemnitees similarly situated taken as a whole) any actual or threatened claim, litigation, investigation or proceeding relating to this Agreement or to the execution, delivery, enforcement, performance and administration of this Agreement and the other Loan Documents, whether based on contract, tort or any other theory (including any investigation of, preparation for, or defense of any pending or threatened claim, litigation, investigation or proceeding), and regardless of whether any Indemnitee is a party thereto (all the foregoing, collectively, the "Indemnified Liabilities"); *provided* that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or expenses resulted from (x) the gross negligence, bad faith or willful misconduct of such Indemnitee or any of its Related Indemnified Persons as determined by a final, non-appealable judgment of a court of competent jurisdiction, (y) a material breach of any obligations under any Loan Document by such Indemnitee or any of its Related Indemnified Persons as determined by a final, non-appealable judgment of a court of competent jurisdiction or (z) any dispute solely among Indemnitees other than any claims against an Indemnitee in its capacity or in fulfilling its role as an administrative agent, collateral agent or arranger or any similar role under any Loan Document and other than any claims arising out of any act or omission of any Grantor or any of their Affiliates (as determined by a final, non-appealable judgment of a court of competent jurisdiction). To the extent that the undertakings to indemnify and hold harmless set forth in this Section 7.17 may be unenforceable in whole or in part because they are violative of any applicable law or public policy, the Grantors shall contribute the maximum portion that they are permitted to pay and satisfy under applicable law to the payment and satisfaction of all Indemnified Liabilities incurred by the Indemnitees or any of them. No Indemnitee shall be liable for any damages arising from the use by others of any information or other materials obtained through IntraLinks or other similar information transmission systems in connection with this Agreement (except to the extent such damages are found in a final non-appealable judgment of a court of competent jurisdiction to have resulted from the willful misconduct, bad faith or gross negligence of such Indemnitee), nor shall any Indemnitee or any Grantor have any liability for any special, punitive, indirect or consequential damages relating to this Agreement or any other Loan Document or arising out of its activities in connection herewith

or therewith (whether before or after the Closing Date) (other than, in the case of any Grantor, in respect of any such damages incurred or paid by an Indemnitee to a third party for which such Indemnitee is otherwise entitled to Indemnification pursuant to this Section 7.17). In the case of an investigation, litigation or other proceeding to which the indemnity in this Section 7.17 applies, such indemnity shall be effective whether or not such investigation, litigation or proceeding is brought by any Grantor, its directors, stockholders or creditors or an Indemnitee or any other Person, whether or not any Indemnitee is otherwise a party thereto and whether or not any of the transactions contemplated hereunder or under any of the other Loan Documents is consummated. All amounts due under this Section 7.17 shall be paid within twenty (20) Business Days after written demand therefor. The agreements in this Section 7.17 shall survive the resignation of the Administrative Agent, the replacement of any Lender, the termination of the Aggregate Commitments and the repayment, satisfaction or discharge of all the other Obligations. This Section 7.17 shall not apply to Taxes, except any Taxes that represent losses or damages arising from any non-Tax claim. Notwithstanding the foregoing, each Indemnitee shall be obligated to refund and return promptly any and all amounts paid by the Borrowers, any Holdings Entity, the Sponsor or any of their Affiliates under this Section 7.17 to such Indemnitee for any such fees, expenses or damages to the extent such Indemnitee is not entitled to payment of such amounts in accordance with the terms hereof.

(b) Upon payment by any Grantor of any Secured Obligations, all rights of such Grantor against the Borrower or any other Grantor arising as a result thereof by way of right of subrogation, contribution, reimbursement, indemnity or otherwise shall in all respects be subordinate and junior in right of payment to the prior satisfaction of the Termination Conditions. If any amount shall be paid to the Borrower or any other Grantor in contravention of the foregoing subordination on account of (i) such subrogation, contribution, reimbursement, indemnity or similar right or (ii) any such indebtedness of the Borrower or any other Grantor, such amount shall be held in trust for the benefit of the Secured Parties and shall promptly be paid to the Collateral Agent to be credited against the payment of the Secured Obligations, whether matured or unmatured, in accordance with the terms of the Credit Agreement and the other Loan Documents. Subject to the foregoing, to the extent that any Grantor (other than the Borrower) shall, under this Agreement or the Credit Agreement as a joint and several obligor, repay any of the Secured Obligations (an "**Accommodation Payment**"), then the Grantor making such Accommodation Payment shall be entitled to contribution and indemnification from, and be reimbursed by, each of the other Grantors in an amount equal to a fraction of such Accommodation Payment, the numerator of which fraction is such other Grantor's Allocable Amount and the denominator of which is the sum of the Allocable Amounts of all of the Grantors. As of any date of determination, the "**Allocable Amount**" of each Grantor shall be equal to the maximum amount of liability for Accommodation Payments which could be asserted against such Grantor hereunder and under the Credit Agreement without (a) rendering such Grantor "insolvent" within the meaning of Section 101 (31) of the Bankruptcy Code, Section 2 of the Uniform Fraudulent Transfer Act ("**UFTA**") or Section 2 of the Uniform Fraudulent Conveyance Act ("**UFCA**"), (b) leaving such Grantor with unreasonably small capital or assets, within the meaning of Section 548 of the Bankruptcy Code, Section 4 of the UFTA, or Section 5 of the UFCA, or (c) leaving such Grantor unable to pay its debts as they become due within the meaning of Section 548 of the Bankruptcy Code or Section 4 of the UFTA, or Section 5 of the UFCA.

Section 7.18 Counterparts. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic imaging (including in .pdf format) means shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 7.19 Mortgages. In the case of a conflict between this Agreement and the Mortgages (if any) with respect to Collateral that is real property (including Fixtures), the Mortgages shall govern. In all other conflicts between this Agreement and the Mortgages, this Agreement shall govern.

ARTICLE VIII

NOTICES

Section 8.1 Sending Notices. All notices, requests and demands pursuant hereto shall be made in accordance with Section 10.02 of the Credit Agreement. All communications and notices hereunder to any Grantor shall be given to it in care of the Borrower at the Borrower's address set forth on Schedule 10.02 to the Credit Agreement.

Section 8.2 Change in Address for Notices. Each of the Grantors, the Collateral Agent and the Lenders may change the address or facsimile number for service of notice upon it by a notice in writing to the other parties.

ARTICLE IX

INTERCREDITOR AGREEMENT(S)

Section 9.1 Intercreditor Agreement(s) Govern. NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, THE LIEN AND SECURITY INTEREST GRANTED TO THE COLLATERAL AGENT, FOR THE BENEFIT OF THE SECURED PARTIES, PURSUANT TO THIS AGREEMENT AND THE EXERCISE OF ANY RIGHT OR REMEDY BY THE COLLATERAL AGENT AND THE OTHER SECURED PARTIES HEREUNDER ARE SUBJECT TO THE PROVISIONS OF THE INTERCREDITOR AGREEMENT(S) (IF ANY). IN THE EVENT OF ANY CONFLICT OR INCONSISTENCY BETWEEN THE PROVISIONS OF ANY INTERCREDITOR AGREEMENT(S) AND THIS AGREEMENT, THE PROVISIONS OF THE APPLICABLE INTERCREDITOR AGREEMENT(S) WILL GOVERN AND CONTROL.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

LTF MERGER SUB, INC. (which on the Closing Date shall be merged with and into Life Time Fitness, Inc., with Life Time Fitness, Inc. surviving such merger as the Borrower),

By: _____
Name:
Title:

LTF INTERMEDIATE HOLDINGS, INC., as Holdings,

By: _____
Name:
Title:

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

LTF CLUB OPERATIONS COMPANY, INC., as Grantor,

By: _____
Name:
Title:

LTF OPERATIONS HOLDINGS, INC., as Grantor,

By: _____
Name:
Title:

LTF MANAGEMENT SERVICES, LLC, as Grantor,

By: _____
Name:
Title:

LTF CONSTRUCTION COMPANY, **LLC**, as Grantor,

By: _____
Name:
Title:

LTF RESTAURANT COMPANY, LLC, as Grantor,

By: _____
Name:
Title:

LTF CLUB MANAGEMENT COMPANY, LLC, as Grantor,

By: _____
Name:
Title:

LTF MINNETONKA RESTAURANT COMPANY, LLC, as Grantor,

By: _____
Name:
Title:

LTF TRIATHLON SERIES, LLC, as Grantor,

By: _____
Name:
Title:

CHRONOTRACK SYSTEMS CORP., as Grantor,

By: _____
Name:
Title:

LTF ARCHITECTURE, LLC, as Grantor,

By: _____
Name:
Title:

LTF LEASE COMPANY, LLC, as Grantor,

By: _____
Name:
Title:

LTF REAL ESTATE HOLDINGS, LLC, as Grantor,

By: _____
Name:
Title:

LTF REAL ESTATE COMPANY, INC., as Grantor,

By: _____
Name:
Title:

LTF EDUCATIONAL PROGRAMS, LLC, as Grantor,

By: _____
Name:
Title:

LTF GROUND LEASE COMPANY, LLC, as Grantor,

By: _____
Name:
Title:

The undersigned hereby confirms that, as a result of its merger with LTF Merger Sub, Inc., it hereby assumes all of the rights and obligations of LTF Merger Sub, Inc. under this Agreement (in furtherance of, and not in lieu of, any assumption or deemed assumption as a matter of law) and hereby is joined to this Agreement as the Borrower thereunder.

LIFE TIME FITNESS, INC.

By: _____
Name:
Title:

DEUTSCHE BANK AG NEW YORK BRANCH, as
Collateral Agent

By: _____
Name:
Title:

By: _____
Name:
Title:

SCHEDULE I

Pledged Collateral

Pledged Collateral constituting Equity Interests

Issuer	Record Owner/Grantor	Certificate No. (if applicable)	Number of Shares/Interest Owned	Percentage of Ownership Pledged

Pledged Collateral constituting Promissory Notes, Tangible Chattel Paper and Instruments

Grantor	Issuer	Initial Principal Amount	Date of Issuance	Maturity Date

SCHEDULE I I

Jurisdictions

SCHEDULE I II

Commercial Tort Claims

EXHIBIT A

Form of **PERFECTION CERTIFICATE**

[Date]

This Perfection Certificate is delivered in accordance with Section 4.01(1)(c) of that certain Credit Agreement, dated as of June 10, 2015 (the "Credit Agreement") among LTF Intermediate Holdings, Inc., a Delaware corporation ("Holdings"), LTF Merger Sub, Inc., a Minnesota corporation ("Merger Sub"), which on the Closing Date will merge with and into Life Time Fitness, Inc., a Minnesota corporation ("Life Time Fitness"), Deutsche Bank AG New York Branch, as Administrative Agent and Collateral Agent, and each Lender from time to time party thereto. Terms used but not defined herein shall have the meanings assigned thereto in the Credit Agreement or the Security Agreement (as defined in the Credit Agreement).

The undersigned Responsible Officer of the Borrower hereby certifies, in his capacity as an officer of the Borrower and not in an individual capacity and without personal liability, to the Administrative Agent, Collateral Agent and each other Secured Party, on behalf of Holdings, the Borrower and each other Loan Party specified below (such Loan Parties together with Holdings and the Borrower, the "Grantors") after giving effect to the Transactions as follows:

I. CURRENT INFORMATION

A. Legal Names, Organizations, Jurisdictions of Organization, Organizational Identification Numbers, etc. The exact legal name (as it appears in each respective certificate or articles of incorporation, limited liability membership agreement or similar organizational document(s), in each case as amended to date), the type of organization, the jurisdiction of organization (or formation, as applicable), and if applicable, foreign qualification, the organizational identification number and tax i.d. number of each Grantor is as follows:

Name of Grantor	Type of Organization	Jurisdiction of Organization/ Formation	Jurisdiction(s) of Foreign Qualification	Organizational Identification Number	FEIN

B. Chief Executive Offices and Mailing Addresses. The chief executive office address and the preferred mailing address (if different than chief executive office) of each Grantor is as follows:

Name of Grantor	Address of Chief Executive Office	Mailing Address:

C. Special Debtors and Former Article 9 Debtors. Except as specifically identified below none of the Grantors is: (i) a transmitting utility (as defined in Section 9-102(a)(80)), (ii) primarily engaged in farming operations (as defined inSection 9-102(a)(35)), (iii) a trust, (iv) a foreign air carrier within the meaning of the federal aviation act of 1958, as amended, (v) a branch or agency of a bank which bank is not organized under the law of the United States or any state thereof or (vi) located (within the meaning of Section 9-307) in the Commonwealth of Puerto Rico. All references in this Section C to "Section" are to sections of the New York Uniform Commercial Code, as in effect on the date hereof.

D. Trade Names/Assumed Names, etc.

1. ***Current Trade Names.*** Set forth below is each registered trade name or assumed name currently used by any Grantor or by which any Grantor is known or is transacting any business:

Grantor	Trade/Assumed Name

2. ***IRS Filings.*** Set forth below is each name (other than those listed under item D1 above and on Schedule IA hereto) used by any Grantor on any filings with the Internal Revenue Service at any time within the past five (5) years:

Grantor	Other Name

E. Changes in Names, Jurisdiction of Organization or Corporate Structure. Except as set forth below, in Section G below or in connection with initial formations or the Transactions, no Grantor has changed its name, jurisdiction of organization or its corporate structure in any way (e.g. by merger, consolidation, change in corporate form, change in jurisdiction of organization or otherwise) within the past five (5) years:

Grantor	Date of Change	Description of Change

F. Prior Addresses. Except as set forth below or in connection with the Transactions, no Grantor has changed its chief executive office within the past five (5) years:

Grantor	Prior Address/City/State/Zip Code

G. Acquisitions of Equity Interests or Assets. Except as set forth below or in connection with the Transactions, no Grantor has acquired the equity interests of another entity or substantially all the assets of another entity for an aggregate consideration in excess of $10,000,000 within the past five (5) years:

Grantor	Date of Acquisition	Description of Acquisition including full legal name of seller and seller's jurisdiction of organization and seller's chief executive office

H. Corporate Ownership and Organizational Structure. Attached as Schedule IH hereto is a true and correct chart showing the ownership relationship of Holdings, the Borrower and its Subsidiaries after giving effect to the Transactions.

II. INFORMATION REGARDING CERTAIN COLLATERAL

A. Investment Related Property.

1. ***Equity Interests***. The following is a true and correct list of all Equity Interests owned by each Grantor together with the type of organization which issued such equity interests (e.g. corporation, limited liability company, partnership or trust):

Grantor	Issuer	Type of Organization	Jurisdiction of Organization / Formation	# of Shares Owned	Total Shares Outstanding	% of Interest Pledged	Certificate No.	Par Value

2. ***Debt Securities & Instruments***. Set forth below is a true and correct list of all debt securities and instruments owed to each Grantor (other than checks to be deposited in the ordinary course of business) required to be pledged under the Security Agreement, and to the extent applicable, specifying the creditor and debtor thereunder and the outstanding principal amount thereof.

Grantor	Issuer	Face Value	Maturity Date

B. Intellectual Property. The following is a true and correct list of all Patents and Trademarks issued by, registered in or applied for with the USPTO, and all Copyrights registered with the Copyright Office, in each case owned by the Grantors (except, in each case, as may be otherwise indicated on such schedule).

1. ***Trademarks and Trademark Applications***.

Owner	Mark	Serial Number / Reg. Number	Filing Date / Reg. Date

2. ***Copyrights***.

Owner	Title	Registration No.	Registration Date

3. ***Patents and Patent Applications***.

Owner	Application Number / Patent Number	Title	Filing Date / Issue Date

EXHIBIT B

FORM OF JOINDER AGREEMENT

THIS JOINDER AGREEMENT (this "**Agreement**"), dated as of , , 20 , s entered into [between] , a (the "**New Grantor**"), and DEUTSCHE BANK AG NEW YORK BRANCH, as Collateral Agent (together with its successors and assigns in such capacity, "**Collateral Agent**") under that certain Security Agreement, dated as of June 10, 2015 (as amended, restated, amended and restated, refinanced, replaced, extended, supplemented and/or otherwise modified from time to time, the "**Security Agreement**"), by and among LTF Intermediate Holdings, Inc., a Delaware corporation ("**Holdings**"), LTF Merger Sub, Inc., a Minnesota corporation and direct subsidiary of Holdings ("**Merger Sub**" or "**Initial Borrower**"), each other Grantor (as defined below) from time to time party thereto and Deutsche Bank AG New York Branch, in its capacity as Collateral Agent for the Secured Parties (in such capacity, together with its successors in such capacity, the "**Collateral Agent**").

Reference is made to that certain (a) Credit Agreement, dated as of June 10, 2015 (as amended, restated, amended and restated, refinanced, replaced, extended, supplemented and/or otherwise modified from time to time, the "**Credit Agreement**"), by and among Holdings, Merger Sub, the Administrative Agent, the Collateral Agent and each Lender and other party from time to time party thereto and (b) Guaranty, dated as of June 10, 2015 (as amended, restated, amended and restated, refinanced, replaced, extended, supplemented and/or otherwise modified from time to time, the "**Guaranty**"), by and among each Guarantor party thereto and the Collateral Agent. All terms used herein (including terms used above) and not otherwise defined herein have the meanings specified in the Credit Agreement or Security Agreement, as applicable.

The Grantors have entered into the Security Agreement to, among other things, induce the Lenders to make the Loans under the Credit Agreement. Section 7.11 of the Security Agreement provides that certain Subsidiaries may become Grantors under the Security Agreement by execution and delivery of a Joinder. The undersigned New Grantor is executing this Agreement in accordance with the requirements of the Credit Agreement to become a Grantor under the Security Agreement in order to, among other things, induce the Lenders to make additional Loans and as consideration for Loans previously made.

Accordingly, the New Grantor and the Collateral Agent, for the benefit of the Secured Parties, hereby agree as follows:

1. The New Grantor hereby acknowledges, agrees and confirms that, by its execution of this Agreement, the New Grantor will be deemed to be a "Grantor" under the Security Agreement for all purposes of the Security Agreement and will have all of the obligations of a "Grantor" thereunder as if it had executed the Security Agreement, including the grant pursuant to Article II of the Security Agreement of the Security Interest in the Collateral of the New Grantor. In furtherance of the foregoing, the New Grantor hereby pledges, assigns and grants to the Collateral Agent, on behalf of and for the benefit of the Secured Parties, to secure the prompt and complete payment and performance of all Secured Obligations, a security interest in all of its right, title and interest in, to and under all of the Collateral, whether now owned by or owing to, or hereafter acquired by or arising in favor of, the New Grantor (including under any trade name or derivations thereof), and regardless of where located.

2. The New Grantor hereby agrees that each reference in the Security Agreement to a Grantor or Subsidiary Guarantor shall also mean and be a reference to the New Grantor.

3. Attached to this Agreement are a duly completed Schedule I, Schedule II and Schedule III to the Security Agreement, a Perfection Certificate in substantially the form of Exhibit A to the Security Agreement and, if applicable, Intellectual Property Security Agreements in substantially the form of Exhibit C to the Security Agreement, in each case, with respect to the New Grantor (collectively, the 'Supplemental Schedules"). The New Grantor represents and warrants that the information contained on each of the Supplemental Schedules with respect to such New Grantor and its properties and affairs is true, complete and accurate in all material respects as of the date hereof.

4. The New Grantor hereby waives acceptance by the Collateral Agent and the Lenders of this Agreement and acknowledges that the Secured Obligations are and will be deemed to be incurred, and that credit extensions under the Credit Agreement, Secured Cash Management Agreements and Secured Hedge Agreements are made and maintained in reliance on this Agreement and the New Grantor's joinder as a party to the Security Agreement as herein provided.

5. This Agreement may be executed in any number of counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or other electronic imaging (including in .pdf format) means shall be effective as delivery of a manually executed counterpart of this Agreement.

6. All communications and notices hereunder will be in writing and given as provided in Section 8.1 of the Security Agreement.

7. Any provision in this Agreement that is held to be inoperative, unenforceable, or invalid in any jurisdiction shall, as to that jurisdiction, be inoperative, unenforceable, or invalid without affecting the remaining provisions in that jurisdiction or the operation, enforceability, or validity of that provision in any other jurisdiction, and to this end the provisions of this Agreement are declared to be severable.

8. Except as expressly supplemented hereby, the Security Agreement shall remain in full force and effect.

9. NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, THE LIEN AND SECURITY INTEREST GRANTED TO THE COLLATERAL AGENT, FOR THE BENEFIT OF THE SECURED PARTIES, PURSUANT TO THIS AGREEMENT AND THE EXERCISE OF ANY RIGHT OR REMEDY BY THE COLLATERAL AGENT AND THE OTHER SECURED PARTIES HEREUNDER ARE SUBJECT TO THE PROVISIONS OF THE INTERCREDITOR AGREEMENT(S) (IF ANY). IN THE EVENT OF ANY CONFLICT OR INCONSISTENCY BETWEEN THE PROVISIONS OF ANY INTERCREDITOR AGREEMENT(S) AND THIS AGREEMENT, THE PROVISIONS OF ANY INTERCREDITOR AGREEMENT(S) WILL GOVERN AND CONTROL.

10. THIS AGREEMENT WILL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES THEREOF THAT WOULD RESULT IN THE APPLICATION OF ANY LAW OTHER THAN THE LAW OF THE STATE OF NEW YORK (OTHER THAN ANY MANDATORY PROVISIONS OF LAW RELATING TO THE LAW GOVERNING PERFECTION AND THE EFFECT OF PERFECTION OF THE SECURITY INTEREST).

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

[NEW GRANTOR], as New Grantor

By: _____
Name:
Title:

DEUTSCHE BANK AG NEW YORK BRANCH, as Collateral Agent

By: _____
Name:
Title:

By: _____
Name:
Title:

EXHIBIT C

FORM OF SHORT FORM INTELLECTUAL PROPERTY SECURITY AGREEMENTS

TRADEMARK SECURITY AGREEMENT

This TRADEMARK SECURITY AGREEMENT (this "**Trademark Security Agreement**") is entered into as of [ ], 20[ ], by and among **[NAME OF GRANTOR]** ("**Grantor**") and **DEUTSCHE BANK AG NEW YORK BRANCH**, in its capacity as Collateral Agent for the Secured Parties (in such capacity, the "**Collateral Agent**").

WITNESSETH:

WHEREAS, Grantor is party to a Pledge and Security Agreement, dated as of June 10, 2015 (as it may be from time to time amended, restated, amended and restated, replaced, supplemented and/or otherwise modified, the "**Security Agreement**"), in favor of the Collateral Agent pursuant to which Grantor is required to execute and deliver this Trademark Security Agreement;

NOW, THEREFORE, in consideration of the premises and to induce the Collateral Agent, for the benefit of the Secured Parties, to enter into the Credit Agreement (as defined in the Security Agreement), Grantor hereby agrees with the Collateral Agent as follows:

SECTION 1. Defined Terms. Unless otherwise defined herein, terms defined in the Security Agreement and used herein have the meaning given to them in the Security Agreement.

SECTION 2. Grant of Security Interest in Trademark Collateral. Grantor hereby pledges, assigns and grants to the Collateral Agent, on behalf of and for the benefit of the Secured Parties, a security interest in and to all of its right, title and interest in, to and under all the following Collateral owned by Grantor:

(a) Trademarks owned by Grantor listed on Schedule I attached hereto;

(b) all goodwill of the business symbolized by such Trademarks; and

(c) all proceeds of any and all of the foregoing.

SECTION 3. Security Agreement. The security interest granted pursuant to this Trademark Security Agreement is granted in conjunction with the security interest granted to the Collateral Agent pursuant to the Security Agreement, and Grantor hereby acknowledges and affirms that the rights and remedies of the Collateral Agent with respect to the security interest in the Trademarks made and granted hereby are more fully set forth in the Security Agreement (and are expressly subject to the terms and conditions thereof). In the event that any provision of this Trademark Security Agreement is deemed to conflict with the Security Agreement, the provisions of the Security Agreement shall control.

SECTION 4. Termination. Upon the termination of the Security Agreement in accordance with its terms, the Collateral Agent shall execute, acknowledge, and deliver to Grantor an instrument in writing in recordable form releasing the collateral pledge, grant, assignment, lien and security interest in the Trademarks under this Trademark Security Agreement.

SECTION 5. Counterparts. This Trademark Security Agreement may be executed in any number of counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page to this Trademark Security Agreement by facsimile or other electronic imaging (including in .pdf format) means shall be effective as delivery of a manually executed counterpart of this Trademark Security Agreement.

SECTION 6. Intercreditor Agreement(s). NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, THE LIEN AND SECURITY INTEREST GRANTED TO THE COLLATERAL AGENT, FOR THE BENEFIT OF THE SECURED PARTIES, PURSUANT TO THIS AGREEMENT AND THE EXERCISE OF ANY RIGHT OR REMEDY BY THE COLLATERAL AGENT AND THE OTHER SECURED PARTIES HEREUNDER ARE SUBJECT TO THE PROVISIONS OF THE INTERCREDITOR AGREEMENT(S) (IF ANY). IN THE EVENT OF ANY CONFLICT OR INCONSISTENCY BETWEEN THE PROVISIONS OF THE INTERCREDITOR AGREEMENT(S) AND THIS AGREEMENT, THE PROVISIONS OF ANY INTERCREDITOR AGREEMENT(S) WILL GOVERN AND CONTROL.

SECTION 7. GOVERNING LAW. THIS TRADEMARK SECURITY AGREEMENT WILL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES THEREOF THAT WOULD RESULT IN THE APPLICATION OF ANY LAW OTHER THAN THE LAW OF THE STATE OF NEW YORK (OTHER THAN ANY MANDATORY PROVISIONS OF LAW RELATING TO THE LAW GOVERNING PERFECTION AND THE EFFECT OF PERFECTION OF THE SECURITY INTEREST).

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IN WITNESS WHEREOF, the parties hereto have caused this Trademark Security Agreement to be duly executed as of the date first above written.

[GRANTOR], as Grantor

By: _____
Name:
Title:

DEUTSCHE BANK AG NEW YORK BRANCH, as Collateral Agent

By: _____
Name:
Title:

By: _____
Name:
Title:

PATENT SECURITY AGREEMENT

This Patent Security Agreement (this "**Patent Security Agreement**") is entered into as of [ ], 20[ ], by and among [**NAME OF GRANTOR**] ("Grantor") and **DEUTSCHE BANK AG NEW YORK BRANCH**, in its capacity as Collateral Agent for the Secured Parties (in such capacity, the "**Collateral Agent**").

W I T N E S S E T H:

WHEREAS, Grantor is party to a Pledge and Security Agreement, dated as of June 10, 2015 (as it may be from time to time amended, restated, amended and restated, supplemented and/or otherwise modified, the "**Security Agreement**"), in favor of the Collateral Agent pursuant to which Grantor is required to execute and deliver this Patent Security Agreement;

NOW, THEREFORE, in consideration of the premises and to induce the Collateral Agent, for the benefit of the Secured Parties, to enter into the Credit Agreement (as defined in the Security Agreement), Grantor hereby agrees with the Collateral Agent as follows:

SECTION 1. Defined Terms. Unless otherwise defined herein, terms defined in the Security Agreement and used herein have the meaning given to them in the Security Agreement.

SECTION 2. Grant of Security Interest in Patent Collateral. Grantor hereby pledges, assigns and grants to the Collateral Agent, on behalf of and for the benefit of the Secured Parties, a security interest in and to all of its right, title and interest in, to and under the Patents owned by Grantor listed on Schedule I attached hereto, including all proceeds of any and all of the foregoing.

SECTION 3. Security Agreement. The security interest granted pursuant to this Patent Security Agreement is granted in conjunction with the security interest granted to the Collateral Agent pursuant to the Security Agreement, and Grantor hereby acknowledges and affirms that the rights and remedies of the Collateral Agent with respect to the security interest in the Patents made and granted hereby are more fully set forth in the Security Agreement (and are expressly subject to the terms and conditions thereof). In the event that any provision of this Patent Security Agreement is deemed to conflict with the Security Agreement, the provisions of the Security Agreement shall control.

SECTION 4. Termination. Upon the termination of the Security Agreement in accordance with its terms, the Collateral Agent shall execute, acknowledge, and deliver to Grantor an instrument in writing in recordable form releasing the collateral pledge, grant, assignment, lien and security interest in the Patents under this Patent Security Agreement.

SECTION 5. Counterparts. This Patent Security Agreement may be executed in any number of counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page to this Patent Security Agreement by facsimile or other electronic imaging (including in .pdf format) means shall be effective as delivery of a manually executed counterpart of this Patent Security Agreement.

SECTION 6. Intercreditor Agreement(s). NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, THE LIEN AND SECURITY INTEREST GRANTED TO THE COLLATERAL AGENT, FOR THE BENEFIT OF THE SECURED PARTIES, PURSUANT TO THIS AGREEMENT AND THE EXERCISE OF ANY RIGHT OR REMEDY BY THE COLLATERAL AGENT AND THE OTHER SECURED PARTIES HEREUNDER ARE SUBJECT TO THE

PROVISIONS OF THE INTERCREDITOR AGREEMENT(S) (IF ANY). IN THE EVENT OF ANY CONFLICT OR INCONSISTENCY BETWEEN THE PROVISIONS OF ANY INTERCREDITOR AGREEMENT(S) AND THIS AGREEMENT, THE PROVISIONS OF THE INTERCREDITOR AGREEMENT(S) WILL GOVERN AND CONTROL.

SECTION 7. GOVERNING LAW. THIS PATENT SECURITY AGREEMENT WILL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES THEREOF THAT WOULD RESULT IN THE APPLICATION OF ANY LAW OTHER THAN THE LAW OF THE STATE OF NEW YORK (OTHER THAN ANY MANDATORY PROVISIONS OF LAW RELATING TO THE LAW GOVERNING PERFECTION AND THE EFFECT OF PERFECTION OF THE SECURITY INTEREST).

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IN WITNESS WHEREOF, the parties hereto have caused this Patent Security Agreement to be duly executed as of the date first above written.

[GRANTOR], as Grantor

By: _____
Name:
Title:

DEUTSCHE BANK AG NEW YORK BRANCH, as Collateral Agent

By: _____
Name:
Title:

By: _____
Name:
Title:

COPYRIGHT SECURITY AGREEMENT

This COPYRIGHT SECURITY AGREEMENT (this "**Copyright Security Agreement**") is entered into as of [ ], 20[ ], by and among [NAME OF GRANTOR] ("**Grantor**") and **DEUTSCHE BANK AG NEW YORK BRANCH**, in its capacity as collateral agent for the Secured Parties (in such capacity, the "**Collateral Agent**").

W I T N E S S E T H:

WHEREAS, Grantor is party to a Pledge and Security Agreement, dated as of June 10, 2015 (as it may be from time to time amended, restated, amended and restated, replaced, supplemented and/or otherwise modified, the "**Security Agreement**"), in favor of the Collateral Agent pursuant to which Grantor is required to execute and deliver this Copyright Security Agreement;

NOW, THEREFORE, in consideration of the premises and to induce the Collateral Agent, for the benefit of the Secured Parties, to enter into the Credit Agreement (as defined in the Security Agreement), Grantor hereby agrees with the Collateral Agent as follows:

SECTION 1. Defined Terms. Unless otherwise defined herein, terms defined in the Security Agreement and used herein have the meaning given to them in the Security Agreement.

SECTION 2. Grant of Security Interest in Copyright Collateral. Grantor hereby pledges, assigns and grants to the Collateral Agent, on behalf of and for the benefit of the Secured Parties, a security interest in and to all of its right, title and interest in, to and under all Copyrights owned by Grantor listed on Schedule I attached hereto, including all proceeds of any and all of the foregoing.

SECTION 3. Security Agreement. The security interest granted pursuant to this Copyright Security Agreement is granted in conjunction with the security interest granted to the Collateral Agent pursuant to the Security Agreement, and Grantor hereby acknowledges and affirms that the rights and remedies of the Collateral Agent with respect to the security interest in the Copyrights made and granted hereby are more fully set forth in the Security Agreement (and are expressly subject to the terms and conditions thereof). In the event that any provision of this Copyright Security Agreement is deemed to conflict with the Security Agreement, the provisions of the Security Agreement shall control.

SECTION 4. Termination. Upon the payment in full of the Secured Obligations and termination of the Security Agreement, the Collateral Agent shall execute, acknowledge, and deliver to Grantor an instrument in writing in recordable form releasing the collateral pledge, grant, assignment, lien and security interest in the Copyrights under this Copyright Security Agreement.

SECTION 5. Counterparts. This Copyright Security Agreement may be executed in any number of counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page to this Copyright Security Agreement by facsimile or other electronic imaging (including in .pdf format) means shall be effective as delivery of a manually executed counterpart of this Copyright Security Agreement.

SECTION 6. Intercreditor Agreement(s). NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, THE LIEN AND SECURITY INTEREST GRANTED TO THE COLLATERAL AGENT, FOR THE BENEFIT OF THE SECURED PARTIES, PURSUANT TO THIS AGREEMENT AND THE EXERCISE OF ANY RIGHT OR REMEDY BY THE COLLATERAL AGENT AND THE OTHER SECURED PARTIES HEREUNDER ARE SUBJECT TO THE

PROVISIONS OF THE INTERCREDITOR AGREEMENT(S) (IF ANY). IN THE EVENT OF ANY CONFLICT OR INCONSISTENCY BETWEEN THE PROVISIONS OF THE INTERCREDITOR AGREEMENT(S) AND THIS AGREEMENT, THE PROVISIONS OF ANY INTERCREDITOR AGREEMENT(S) WILL GOVERN AND CONTROL.

SECTION 7. GOVERNING LAW. THIS COPYRIGHT SECURITY AGREEMENT WILL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES THEREOF THAT WOULD RESULT IN THE APPLICATION OF ANY LAW OTHER THAN THE LAW OF THE STATE OF NEW YORK (OTHER THAN ANY MANDATORY PROVISIONS OF LAW RELATING TO THE LAW GOVERNING PERFECTION AND THE EFFECT OF PERFECTION OF THE SECURITY INTEREST).

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the parties hereto have caused this Copyright Security Agreement to be duly executed as of the date first above written.

[GRANTOR], as Grantor

By: _____
Name:
Title:

DEUTSCHE BANK AG NEW YORK BRANCH, as Collateral Agent

By: _____
Name:
Title:

By: _____
Name:
Title:

EXHIBIT G-1

FORM OF EQUAL PRIORITY INTERCREDITOR AGREEMENT

[See Attached]

EXHIBIT G-1

[FORM OF]
EQUAL PRIORITY INTERCREDITOR AGREEMENT

Dated as of [ ], 20[ ]

among

LTF INTERMEDIATE HOLDINGS, INC.,
as Holdings,

LIFE TIME FITNESS, INC.,
as Borrower,

and the other Grantors from time to time party hereto,

[DEUTSCHE BANK AG NEW YORK BRANCH],
as Administrative Agent for the Credit Agreement Secured Parties,

[ ],
as Authorized Representative for the Credit Agreement Secured Parties,

[ ],
as the Additional First Lien Agent,

[ ],
as the Initial Additional Authorized Representative,

and

each additional Authorized Representative from time to time party hereto

EQUAL PRIORITY INTERCREDITOR AGREEMENT, dated as of [ ], 20[ ] (as amended, restated, amended and restated, extended, supplemented and/or otherwise modified from time to time, this "Agreement"), among LTF INTERMEDIATE HOLDINGS, INC., a Delaware corporation ("Holdings"), LIFE TIME FITNESS, INC., a Minnesota corporation and successor in interest to LTF MERGER SUB, INC., as Borrower, the other Grantors (as defined below) from time to time party hereto, DEUTSCHE BANK AG NEW YORK BRANCH ("DBNY"), as collateral agent for the Credit Agreement Secured Parties (as defined below) (in such capacity and together with its successors in such capacity, the "Administrative Agent"), DBNY, as Authorized Representative for the Credit Agreement Secured Parties (as each such term is defined below), [ ], as collateral agent for the Initial Additional Senior Secured Parties (as defined below) (in such capacity and together with its successors in such capacity, the "Additional First Lien Agent"), [ ], as Authorized Representative for the Additional First Lien Secured Parties (as defined below) (in such capacity and together with its successors in such capacity, the "Initial Additional Authorized Representative"), and each additional Authorized Representative from time to time party hereto for the other Additional First Lien Secured Parties of the Series (as defined below) with respect to which it is acting in such capacity.

In consideration of the mutual agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Collateral Agent, the Administrative Agent (for itself and on behalf of the Credit Agreement Secured Parties), the Additional First Lien Agent (for itself and on behalf of the Additional First Lien Secured Parties), the Initial Additional Authorized Representative (for itself and on behalf of the Initial Additional First Lien Secured Parties) and each additional Authorized Representative (for itself and on behalf of the Additional Senior Secured Parties of the applicable Series) agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Certain Defined Terms. Capitalized terms used but not otherwise defined herein have the meanings set forth in the Credit Agreement or, if defined in the New York UCC, the meanings specified therein. As used in this Agreement, the following terms have the meanings specified below:

"Additional First Lien Agent" has the meaning assigned to such term in the introductory paragraph of this Agreement; provided, that following the Discharge of the Initial Additional First Lien Obligations, the Additional First Lien Agent shall be the Authorized Representative of a Series of Additional First Lien Obligations then outstanding as designated by (i) if prior to the Discharge of Credit Agreement Obligations, the Major Non-Controlling Authorized Representative, or (ii) if after the Discharge of Credit Agreement Obligations, the Applicable Authorized Representative.

"Additional First Lien Documents" means, with respect to the Initial Additional First Lien Obligations or any Series of Additional First Lien Obligations and any Refinancing of such debt, the notes, indentures, security documents and other operative agreements evidencing or governing such indebtedness and liens securing such indebtedness, including the Initial Additional First Lien Documents and the Additional First Lien Security Documents and each other agreement entered into for the purpose of securing the Initial Additional First Lien Obligations or any Series of Additional First Lien Obligations; *provided* that, in each case, the Indebtedness thereunder (other than the Initial Additional First Lien Obligations) has been designated as Additional First Lien Obligations pursuant to Section 5.13 hereto.

"Additional First Lien Obligations" means all amounts owing to any Additional Senior Secured Party (including the Initial Additional Senior Secured Parties) pursuant to the terms of any Additional First Lien Document (including the Initial Additional First Lien Documents), including, without limitation, all amounts in respect of any principal, premium, interest (including any interest accruing subsequent to the commencement of a Bankruptcy Case at the rate provided for in the respective Additional First Lien Document, whether or not such interest is an allowed claim under any such proceeding or under applicable state, federal or foreign law), penalties, fees, expenses, indemnification, reimbursements, damages and other liabilities, and guarantees of the foregoing amounts.

"Additional Senior Secured Party" means the holders of any Additional First Lien Obligations and any Authorized Representative with respect thereto, and shall include the Initial Additional Senior Secured Parties.

"Additional First Lien Security Documents" means any collateral agreement, security agreement or any other document now existing or entered into after the date hereof that create Liens on any assets or properties of any Grantor to secure the Additional First Lien Obligations.

"Additional Senior Class Debt" has the meaning assigned to such term in Section 5.13.

"Additional Senior Class Debt Parties" has the meaning assigned to such term in Section 5.13.

"Additional Senior Class Debt Representative" has the meaning assigned to such term in Section 5.13.

"Administrative Agent" has the meaning assigned to such term in the definition of "Credit Agreement."

"Agreement" has the meaning assigned to such term in the introductory paragraph of this Agreement.

"Applicable Authorized Representative" means, with respect to any Shared Collateral, (i) until the earlier of (x) the Discharge of Credit Agreement Obligations and (y) the Non-Controlling Authorized Representative Enforcement Date, the Administrative Agent and (ii) from and after the earlier of (x) the Discharge of Credit Agreement Obligations and (y) the Non-Controlling Authorized Representative Enforcement Date, the Major Non-Controlling Authorized Representative.

"Applicable Collateral Agent" means (i) until the earlier of (x) the Discharge of Credit Agreement Obligations and (y) theNon-Controlling Authorized Representative Enforcement Date, the Administrative Agent and (ii) from and after the earlier of (x) the Discharge of Credit Agreement Obligations and (y) the Non-Controlling Authorized Representative Enforcement Date, the Additional First Lien Agent.

"Authorized Representative" means, at any time, (i) in the case of any Credit Agreement Obligations or the Credit Agreement Secured Parties, the Administrative Agent, (ii) in the case of the Initial Additional First Lien Obligations or the Initial Additional Senior Secured Parties, the Initial Additional Authorized Representative, and (iii) in the case of any Additional Senior Class Debt or Additional Senior Class Debt Parties that become subject to this Agreement after the date hereof, the Additional Senior Debt Class Representative named as the "New Representative" for such Series in the applicable Joinder Agreement.

"Bankruptcy Case" has the meaning assigned to such term in Section 2.05(b).

"Bankruptcy Code" means Title 11 of the United States Code, as amended, or any similar federal or state law for the relief of debtors.

"Bankruptcy Law" means the Bankruptcy Code and any similar federal, state or foreign law for the relief of debtors.

"Borrower" means Life Time Fitness, Inc., a Minnesota corporation (or its permitted successors).

"Collateral" means all assets and properties subject to any Lien created pursuant to any First Lien Security Document to secure one or more Series of First Lien Obligations.

"Collateral Agent" means (i) in the case of any Credit Agreement Obligations, the Administrative Agent, and (ii) in the case of the Additional First Lien Obligations, the Additional First Lien Agent.

"Controlling Secured Parties" means, with respect to any Shared Collateral, (i) at any time when the Administrative Agent is the Applicable Collateral Agent, the Credit Agreement Secured Parties and (ii) at any other time, the Series of Senior Secured Parties whose Authorized Representative is the Applicable Authorized Representative for such Shared Collateral.

"Credit Agreement" means that certain Credit Agreement, dated as of June 10 2015, among Holdings, the Borrower, Deutsche Bank AG New York Branch, as administrative agent (the "Administrative Agent"), and the lenders and other parties from time to time party thereto, as amended, restated, amended and restated, extended, supplemented, Refinanced and/or otherwise modified from time to time.

"Credit Agreement Loan Documents" means the Credit Agreement and the other Loan Documents (as such term is defined in the Credit Agreement).

"Credit Agreement Obligations" means the "Obligations" (as such term is defined in the Credit Agreement).

"Credit Agreement Secured Parties" means the Secured Parties (as such term is defined in the Credit Agreement).

"Credit Agreement Security Agreement" that certain Pledge and Security Agreement, dated as of June 10, 2015, among Holdings, the Borrower, the other Grantors party thereto and the Administrative Agent, as amended, restated, amended and restated, extended, supplemented and/or otherwise modified from time to time.

"Credit Agreement Security Documents" means the Credit Agreement Security Agreement, the other Collateral Documents (as defined in the Credit Agreement) and each other agreement entered into in favor of the Administrative Agent for the purpose of securing any Credit Agreement Obligations.

"DIP Financing" has the meaning assigned to such term in Section 2.05(b).

"DIP Financing Liens" has the meaning assigned to such term in Section 2.05(b).

"DIP Lenders" has the meaning assigned to such term in Section 2.05(b).

"Discharge" means, with respect to any Shared Collateral and any Series of First Lien Obligations, the date on which such Series of First Lien Obligations is no longer secured by such Shared Collateral. The term "Discharged" shall have a corresponding meaning.

"Discharge of Credit Agreement Obligations" means, with respect to any Shared Collateral, the Discharge of Credit Agreement Obligations with respect to such Shared Collateral; provided, that the Discharge of Credit Agreement Obligations shall not be deemed to have occurred in connection with a Refinancing of such Credit Agreement Obligations with additional First Lien Obligations secured by such Shared Collateral under an Additional First Lien Document which has been designated in writing by the Administrative Agent (under the Credit Agreement as so Refinanced) to the Additional First Lien Agent and each other Authorized Representative as the "Credit Agreement" for purposes of this Agreement.

"Event of Default" means an "Event of Default" (or similarly defined term) as defined in any First Lien Debt Document.

"First Lien Debt Documents" means, collectively, (i) the Credit Agreement Loan Documents, and (ii) the Additional First Lien Documents.

"First Lien Obligations" means, collectively, (i) the Credit Agreement Obligations and (ii) each Series of Additional First Lien Obligations.

"First Lien Secured Parties" means (i) the Credit Agreement Secured Parties and (ii) the Additional Senior Secured Parties with respect to each Series of Additional First Lien Obligations.

"First Lien Security Documents" means (i) the Credit Agreement Security Documents, and (ii) the Additional First Lien Security Documents.

"Grantors" means Holdings, the Borrower and each Restricted Subsidiary that has granted a security interest to any Secured Party pursuant to any First Lien Debt Document. The Grantors (other than Holdings) existing on the date hereof are set forth in Annex I hereto.

"Holdings" has the meaning assigned to such term in the introductory paragraph of this Agreement

"Impairment" has the meaning assigned to such term in Section 1.03.

"Initial Additional Authorized Representative" has the meaning assigned to such term in the introductory paragraph of this Agreement.

"Initial Additional Senior Agreement" means that certain [Indenture] [Other Agreement], dated as of [ ] [ ], 20[ ] among the Borrower, [the Guarantors identified therein] and [ ], as [trustee], as amended, restated, amended and restated, extended, supplemented, Refinanced and/or otherwise modified from time to time.

"Initial Additional First Lien Documents" means the Initial Additional Senior Agreement, the debt securities issued thereunder, the Initial Additional First Lien Security Agreement and any security documents and other operative agreements evidencing or governing the Indebtedness thereunder, and the Liens securing such Indebtedness, including any agreement entered into for the purpose of securing the Initial Additional First Lien Obligations.

"Initial Additional First Lien Obligations" means the ["Obligations"] as such term is defined in the Initial Additional First Lien Security Agreement.

"Initial Additional Senior Secured Parties" means the Additional First Lien Agent, the Initial Additional Authorized Representative and the holders of the Initial Additional First Lien Obligations issued pursuant to the Initial Additional Senior Agreement.

"Initial Additional First Lien Security Agreement" means the [security agreement], dated as of [ ] [ ], 20[ ], among the Borrower, the Additional First Lien Agent and the other parties thereto, as amended, restated, amended and restated, extended, supplemented and/or otherwise modified from time to time.

"Insolvency or Liquidation Proceeding" means:

(1) any case commenced by or against the Borrower or any other Grantor under any Bankruptcy Law, any other proceeding for the reorganization, recapitalization or adjustment or marshalling of the assets or liabilities of the Borrower or any other Grantor, any receivership or assignment for the benefit of creditors relating to the Borrower or any other Grantor or any similar case or proceeding relative to the Borrower or any other Grantor or its creditors, as such, in each case whether or not voluntary;

(2) any liquidation, dissolution, marshalling of assets or liabilities or other winding up of or relating to the Borrower or any other Grantor, in each case whether or not voluntary and whether or not involving bankruptcy or insolvency; or

(3) any other proceeding of any type or nature in which substantially all claims of creditors of the Borrower or any other Grantor are determined and any payment or distribution is or may be made on account of such claims.

"Intervening Creditor" has the meaning assigned to such term in Section 2.01(a).

"Joinder Agreement" means a joinder to this Agreement in the form of Annex II hereto required to be delivered by an Authorized Representative to each Collateral Agent pursuant to Section 5.13 hereof in order to establish an additional Series of Additional First Lien Obligations and add Additional Senior Secured Parties hereunder.

"Lien" means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge, trust (deemed or statutory) or security interest in, on or of such asset, whether or not filed, recorded or otherwise perfected under applicable law, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities; *provided* that in no event shall an operating lease be deemed to be a Lien.

"Major Non-Controlling Authorized Representative" means, with respect to any Shared Collateral, the Authorized Representative of the Series of Additional First Lien Obligations that constitutes the largest outstanding principal amount of any then outstanding Series of First Lien Obligations with respect to such Shared Collateral; *provided*, *however*, that if there are two outstanding Series of Additional First Lien Obligations which have an equal outstanding principal amount, the Series of Additional First Lien Obligations with the earlier maturity date shall be considered to have the larger outstanding principal amount for purposes of this definition.

"New York UCC" means the Uniform Commercial Code as from time to time in effect in the State of New York.

"Non-Controlling Authorized Representative" means, at any time with respect to any Shared Collateral, any Authorized Representative that is not the Applicable Authorized Representative at such time with respect to such Shared Collateral.

"Non-Controlling Authorized Representative Enforcement Date" means, with respect to any Non-Controlling Authorized Representative, the date which is [90] days (throughout which [90]-day period such Non-Controlling Authorized Representative was the Major Non-Controlling Authorized Representative) after the occurrence of both (i) an Event of Default (under and as defined in the Additional First Lien Document under which such Non-Controlling Authorized Representative is the Authorized Representative) and (ii) each Collateral Agent's and each other Authorized Representative's receipt of written notice from such Non-Controlling Authorized Representative certifying that (x) such Non-Controlling Authorized Representative is the Major Non-Controlling Authorized Representative and that an Event of Default (under and as defined in the Additional First Lien Document under which such Non-Controlling Authorized Representative is the Authorized Representative) has occurred and is continuing and (y) the Additional First Lien Obligations of the Series with respect to which such Non-Controlling Authorized Representative is the Authorized Representative are currently due and payable in full (whether as a result of acceleration thereof or otherwise) in accordance with the terms of the applicable Additional First Lien Document; *provided* that the Non-Controlling Authorized Representative Enforcement Date shall be stayed and shall not occur and shall be deemed not to have occurred with respect to any Shared Collateral (1) at any time the Administrative Agent has commenced and is diligently pursuing any enforcement action with respect to such Shared Collateral or (2) at any time the Grantor that has granted a security interest in such Shared Collateral is then a debtor under or with respect to (or otherwise subject to) any Insolvency or Liquidation Proceeding.

"Non-Controlling Secured Parties" means, with respect to any Shared Collateral, the Senior Secured Parties which are not Controlling Secured Parties with respect to such Shared Collateral.

"Pledged or Controlled Collateral" means any Shared Collateral in the possession or control of a Collateral Agent (or its agents or bailees), to the extent that possession or control thereof or of any account in which such Shared Collateral is held perfects a Lien thereon under the Uniform Commercial Code of any jurisdiction. Pledged or Controlled Collateral includes, without limitation, any Certificated Securities, Promissory Notes, Instruments and Chattel Paper or any Deposit Account, commodities account or securities account, in each case, delivered to or in the possession or control of the Collateral Agent under the terms of the First Lien Debt Documents.

"Proceeds" has the meaning assigned to such term in Section 2.01(a).

"Refinance" means, in respect of any indebtedness, to refinance, extend, renew, defease, amend, increase, modify, supplement, restructure, refund, replace or repay, or to issue other indebtedness or enter alternative financing arrangements, in exchange or replacement for such indebtedness (in whole or in part), including by adding or replacing lenders, creditors, agents, borrowers and/or guarantors, and including in each case, but not limited to, after the original instrument giving rise to such indebtedness has been terminated and including, in each case, through any credit agreement, indenture or other agreement. "Refinanced" and "Refinancing" have correlative meanings.

"Series" means (a) with respect to the Senior Secured Parties, each of (i) the Credit Agreement Secured Parties (in their capacities as such), (ii) the Initial Additional Senior Secured Parties (in their capacities as such), and (iii) the Additional Senior Secured Parties that become subject to this Agreement after the date hereof that are represented by a common Authorized Representative (in its capacity as such for such Additional Senior Secured Parties) and (b) with respect to any First Lien Obligations, each of (i) the Credit Agreement Obligations, (ii) the Initial Additional First Lien Obligations, and (iii) the Additional First Lien Obligations incurred pursuant to any Additional First Lien Document, which pursuant to any Joinder Agreement are to be represented hereunder by a common Authorized Representative (in its capacity as such for such Additional First Lien Obligations).

"Shared Collateral" means, at any time, Collateral in which the holders of two or more Series of Senior Debt Obligations hold a valid and perfected security interest at such time. If more than two Series of First Lien Obligations are outstanding at any time and the holders of less than all Series of First Lien Obligations hold a valid and perfected security interest in any Collateral at such time, then such Collateral shall constitute Shared Collateral for those Series of First Lien Obligations that hold a valid security interest in such Collateral at such time and shall not constitute Shared Collateral for any Series which does not have a valid and perfected security interest in such Collateral at such time.

SECTION 1.02. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument, other document, statute or regulation herein shall be construed as referring to such agreement, instrument, other document, statute or regulation as from time to time amended, amended and restated, supplemented or otherwise modified and, with respect to any statute or regulation, all statutory and regulatory provisions consolidating, replacing or interpreting such statute or regulation, (ii) any reference herein to any Person shall be construed to include such Person's successors and assigns, but shall not be deemed to include the subsidiaries of such Person unless express reference is made to such subsidiaries, (iii) the words "herein," "hereof" and "hereunder," and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (iv) all references herein to Articles, Sections and Annexes shall be construed to refer to Articles, Sections and Annexes of this Agreement, (v) unless otherwise expressly qualified herein, the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights and (vi) the term "or" is not exclusive.

SECTION 1.03. Impairments. It is the intention of the Senior Secured Parties of each Series that the holders of First Lien Obligations of such Series (and not the Senior Secured Parties of any other Series) bear the risk of (i) any determination by a court of competent jurisdiction that (x) any of the First Lien Obligations of such Series are unenforceable under applicable law or are subordinated to any other obligations (other than another Series of First Lien Obligations), (y) any of the First Lien Obligations of such Series do not have an enforceable security interest in any of the Collateral securing any other Series of First Lien Obligations and/or (z) any intervening security interest exists securing any other obligations (other than another Series of First Lien Obligations) on a basis ranking prior to the security interest of such Series of First Lien Obligations but junior to the security interest of any

other Series of First Lien Obligations or (ii) the existence of any Collateral for any other Series of First Lien Obligations that is not Shared Collateral (any such condition referred to in the foregoing clause (i) or (ii) with respect to any Series of First Lien Obligations, an "Impairment" of such Series) *provided*, that the existence of a maximum claim with respect to any Material Real Property (as defined in the Credit Agreement) subject to a mortgage which applies to all First Lien Obligations shall not be deemed to be an Impairment of any Series of First Lien Obligations. In the event of any Impairment with respect to any Series of First Lien Obligations, the results of such Impairment shall be borne solely by the holders of such Series of First Lien Obligations, and the rights of the holders of such Series of First Lien Obligations (including, without limitation, the right to receive distributions in respect of such Series of First Lien Obligations pursuant to Section 2.01) set forth herein shall be modified to the extent necessary so that the effects of such Impairment are borne solely by the holders of the Series of such First Lien Obligations subject to such Impairment. Additionally, in the event the First Lien Obligations of any Series are modified pursuant to applicable law (including, without limitation, pursuant to Section 1129 of the Bankruptcy Code), any reference to such First Lien Obligations or the First Lien Debt Documents governing such First Lien Obligations shall refer to such obligations or such documents as so modified.

ARTICLE II

Priorities and Agreements with Respect to Shared Collateral

SECTION 2.01. Priority of Claims.

(a) Anything contained herein or in any of the First Lien Debt Documents to the contrary notwithstanding (but subject to Section 1.03), if an Event of Default has occurred and is continuing, and the Applicable Collateral Agent or any Senior Secured Party is taking action to enforce rights in respect of any Shared Collateral, or any distribution is made in respect of any Shared Collateral in any Bankruptcy Case of the Borrower or any other Grantor or any Senior Secured Party receives any payment pursuant to any intercreditor agreement (other than this Agreement) with respect to any Shared Collateral, the proceeds of any sale, collection or other liquidation of any such Collateral by any Senior Secured Party or received by the Applicable Collateral Agent or any Senior Secured Party pursuant to any such intercreditor agreement with respect to such Shared Collateral and proceeds of any such distribution (subject, in the case of any such distribution, to the sentence immediately following) to which the First Lien Obligations are entitled under any intercreditor agreement (other than this Agreement) (all proceeds of any sale, collection or other liquidation of any Collateral and all proceeds of any such distribution being collectively referred to as "Proceeds") shall be applied (i) FIRST, to the payment of all amounts owing to each Collateral Agent (in its capacity as such) pursuant to the terms of any First Lien Debt Document, (ii) SECOND, subject to Section 1.03, to the payment in full of the First Lien Obligations of each Series on a ratable basis, with such Proceeds to be applied to the First Lien Obligations of a given Series in accordance with the terms of the applicable First Lien Debt Documents, and (iii) THIRD, after payment of all First Lien Obligations, to the Borrower and the other Grantors or their successors or assigns, as their interests may appear, or to whosoever may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct. If, despite the provisions of this Section 2.01(a), any Senior Secured Party shall receive any payment or other recovery in excess of its portion of payments on account of the First Lien Obligations to which it is then entitled in accordance with this Section 2.01(a), such Senior Secured Party shall hold such payment or recovery in trust for the benefit of all Senior Secured Parties for distribution in accordance with this Section 2.01(a). Notwithstanding the foregoing, with respect to any Shared Collateral upon which a third party (other than a Senior Secured Party) has a lien or security interest that is junior in priority to the security interest of any Series of First Lien Obligations but senior (as determined by appropriate legal proceedings in the case of any dispute) to the security interest of any other Series of First Lien Obligations (such third party, an "Intervening Creditor"), the value of any Shared Collateral or Proceeds which are allocated to such Intervening Creditor shall be deducted on a ratable basis solely from the Shared Collateral or Proceeds to be distributed in respect of the Series of First Lien Obligations with respect to which such Impairment exists.

(b) It is acknowledged that the First Lien Obligations of any Series may, subject to the limitations set forth in the then extant First Lien Debt Documents, be increased, extended, renewed, replaced, restated, supplemented, restructured, repaid, refunded, Refinanced or otherwise amended or modified from time to time, all without affecting the priorities set forth in Section 2.01(a) or the provisions of this Agreement defining the relative rights of the Senior Secured Parties of any Series.

(c) Notwithstanding the date, time, method, manner or order of grant, attachment or perfection of any Liens securing any Series of First Lien Obligations granted on the Shared Collateral and notwithstanding any provision of the Uniform Commercial Code of any jurisdiction, any applicable real estate laws, or any other applicable law or the First Lien Debt Documents or any defect or deficiencies in the Liens securing the First Lien Obligations of any Series or any other circumstance whatsoever (but, in each case, subject to Section 1.03), each Senior Secured Party hereby agrees that the Liens securing each Series of First Lien Obligations on any Shared Collateral shall be of equal priority.

(d) Notwithstanding anything in this Agreement or any other First Lien Debt Documents to the contrary, Collateral consisting of cash and cash equivalents pledged to secure Credit Agreement Obligations consisting of reimbursement obligations in respect of Letters of Credit or otherwise held by the Administrative Agent pursuant to Section 2.03, 2.04 or 2.17 of the Credit Agreement (or any equivalent successor provision) shall be applied as specified in the Credit Agreement and will not constitute Shared Collateral.

SECTION 2.02. Actions with Respect to Shared Collateral; Prohibition on Contesting Liens

(a) Only the Applicable Collateral Agent shall act or refrain from acting with respect to any Shared Collateral (including with respect to any intercreditor agreement with respect to any Shared Collateral). At any time when the Administrative Agent is the Applicable Collateral Agent, no Additional Senior Secured Party shall, or shall instruct any Collateral Agent to, commence any judicial or nonjudicial foreclosure proceedings with respect to, seek to have a trustee, receiver, liquidator or similar official appointed for or over, attempt any action to take possession of, exercise any right, remedy or power with respect to, or otherwise take any action to enforce its security interest in or realize upon, or take any other action available to it in respect of, any Shared Collateral (including with respect to any intercreditor agreement with respect to any Shared Collateral), whether under any Additional First Lien Security Document, applicable law or otherwise, it being agreed that only the Administrative Agent, acting in accordance with the Credit Agreement Security Documents, shall be entitled to take any such actions or exercise any such remedies with respect to Shared Collateral at such time.

(b) With respect to any Shared Collateral at any time when the Additional First Lien Agent is the Applicable Collateral Agent, (i) the Applicable Collateral Agent shall act only on the instructions of the Applicable Authorized Representative, (ii) the Applicable Collateral Agent shall not follow any instructions with respect to such Shared Collateral (including with respect to any intercreditor agreement with respect to any Shared Collateral) from any Non-Controlling Authorized Representative (or any other Senior Secured Party other than the Applicable Authorized Representative) and (iii) no Non-Controlling Authorized Representative or other Senior Secured Party (other than the Applicable Authorized Representative) shall, or shall instruct the Applicable Collateral Agent to, commence any judicial or non judicial foreclosure proceedings with respect to, seek to have a trustee, receiver, liquidator or similar official appointed for or over, attempt any action to take possession of, exercise any right, remedy or power with respect to, or otherwise take any action to enforce its security interest in or realize upon, or take any other action available to it in respect of, any Shared Collateral (including with respect to any intercreditor agreement with respect to any Shared Collateral), whether under any First Lien Security Document, applicable law or otherwise, it being agreed that only the Applicable Collateral Agent, acting on the instructions of the Applicable Authorized Representative and in accordance with the Additional First Lien Security Documents, shall be entitled to take any such actions or exercise any such remedies with respect to Shared Collateral.

(c) Notwithstanding the equal priority of the Liens securing each Series of First Lien Obligations, the Applicable Collateral Agent (in the case of the Additional First Lien Agent, acting on the instructions of the Applicable Authorized Representative) may deal with the Shared Collateral as if such Applicable Collateral Agent had a senior Lien on such Collateral. No Non-Controlling Authorized Representative or Non-Controlling Secured Party will contest, protest or object to any foreclosure proceeding or action brought by the Applicable Collateral Agent, the Applicable Authorized Representative or the Controlling Secured Party or any other exercise by the Applicable Collateral Agent, the Applicable Authorized Representative or the Controlling Secured Party of any rights and remedies relating to the Shared Collateral, or to cause the Applicable Collateral Agent to do so. The foregoing shall not be construed to limit the rights and priorities of any Senior Secured Party, any Collateral Agent or any Authorized Representative with respect to any Collateral not constituting Shared Collateral.

(d) Each of the Senior Secured Parties agrees that it will not (and hereby waives any right to) question or contest or support any other Person in contesting, in any proceeding (including any Insolvency or Liquidation Proceeding), the perfection, priority, validity, attachment or enforceability of a Lien held by or on behalf of any of the Senior Secured Parties on all or any part of the Collateral, or the provisions of this Agreement; provided that nothing in this Agreement shall be construed to prevent or impair the rights of any Collateral Agent or any Authorized Representative to enforce this Agreement.

SECTION 2.03. No Interference; Payment Over.

(a) Each Senior Secured Party agrees that (i) it will not (and shall be deemed to have waived any right to) challenge, contest, or question, or support any other Person in challenging, contesting, or questioning, in any proceeding (including any Insolvency or Liquidation Proceeding) the validity or enforceability of any First Lien Obligations of any Series or any First Lien Security Document or the validity, attachment, perfection or priority of any Lien under any First Lien Security Document or the validity or enforceability of the priorities, rights or duties established by or other provisions of this Agreement, (ii) it will not take or cause to be taken any action the purpose or intent of which is, or could be, to interfere, hinder or delay, in any manner, whether by judicial proceedings or otherwise, any sale, transfer or other disposition of the Shared Collateral by the Applicable Collateral Agent, (iii) except as provided in Section 2.02, it shall have no right to (A) exercise, or direct the Applicable Collateral Agent or any other Senior Secured Party to exercise, any right, remedy or power with respect to any Shared Collateral (including pursuant to any intercreditor agreement) or (B) consent to the exercise by the Applicable Collateral Agent or any other Senior Secured Party of any right, remedy or power with respect to any Shared Collateral, (iv) it will not institute any suit or assert in any suit, bankruptcy, insolvency or other proceeding any claim against the Applicable Collateral Agent or any other Senior Secured Party seeking damages from or other relief by way of specific performance, instructions or otherwise with respect to any Shared Collateral, and none of the Applicable Collateral Agent, any Applicable Authorized Representative or any other Senior Secured Party shall be liable for any action taken or omitted to be taken by the Applicable Collateral Agent, such Applicable Authorized Representative or other Senior Secured Party with respect to any Shared Collateral in accordance with the provisions of this Agreement, (v) it will not seek, and hereby waives any right, to have any Shared Collateral or any part thereof marshalled upon any foreclosure or other disposition of such Collateral and (vi) it will not attempt, directly or indirectly, whether by judicial proceedings or otherwise, to challenge the enforceability of any provision of this Agreement; *provided* that nothing in this Agreement shall be construed to prevent or impair the rights of the Applicable Collateral Agent or any other Senior Secured Party to enforce this Agreement.

(b) Each Senior Secured Party hereby agrees that if it shall obtain possession of any Shared Collateral or shall realize any proceeds or payment in respect of any such Shared Collateral, pursuant to any First Lien Security Document or by the exercise of any rights available to it under applicable law or in any Insolvency or Liquidation Proceeding or through any other exercise of remedies (including pursuant to any intercreditor agreement, other than this Agreement), at any time prior to the Discharge of each of the First Lien Obligations, then it shall hold such Shared Collateral, proceeds or payment in trust for the other Senior Secured Parties and promptly transfer such Shared Collateral, proceeds or payment, as the case may be, to the Applicable Collateral Agent, to be distributed in accordance with the provisions of Section 2.01.

SECTION 2.04. Automatic Release of Liens.

(a) If at any time the Applicable Collateral Agent forecloses upon or otherwise exercises remedies against any Shared Collateral resulting in a sale or disposition thereof, then (whether or not any Insolvency or Liquidation Proceeding is pending at the time) the Liens in favor of the other Collateral Agent for the benefit of each Series of Senior Secured Parties upon such Shared Collateral will automatically be released and discharged as and when, but only to the extent, such Liens of the Applicable Collateral Agent on such Shared Collateral are released and discharged; *provided* that any proceeds of any Shared Collateral realized therefrom shall be applied pursuant to Section 2.01.

(b) Each Collateral Agent and Authorized Representative agrees to execute and deliver (at the sole cost and expense of the Grantors) all such authorizations and other instruments as shall reasonably be requested by the Applicable Collateral Agent or the Borrower to evidence and confirm any release of Shared Collateral provided for in this Section 2.04.

SECTION 2.05. Certain Agreements with Respect to Bankruptcy or Insolvency Proceedings.

(a) This Agreement shall continue in full force and effect notwithstanding the commencement of any Insolvency or Liquidation Proceeding, including any proceeding under the Bankruptcy Code or any other federal, state or foreign bankruptcy, insolvency, receivership or similar law by or against the Borrower or any of its Subsidiaries. Without limiting the generality of the foregoing, it is acknowledged and agreed that this Agreement constitutes an agreement within the scope of Section 510(a) of the Bankruptcy Code, including with respect to the provisions of this Article II, and all references to "Grantor" shall include any Grantor as debtor and debtor in possession (and any receiver, trustee, or other estate representative for such Grantor, as the case may be) in any Insolvency or Liquidation Proceeding.

(b) If the Borrower and/or any other Grantor shall become subject to a case (a "Bankruptcy Case") under the Bankruptcy Code and shall, as debtor(s)-in-possession, move for approval of financing ("DIP Financing") to be provided by one or more lenders (the "DIP Lenders") under Section 364 of the Bankruptcy Code or any equivalent provision of any other Bankruptcy Law or the use of cash collateral under Section 363 of the Bankruptcy Code or any equivalent provision of any other Bankruptcy Law, each Senior Secured Party (other than any Controlling Secured Party or Authorized Representative of any Controlling Secured Party) agrees that it will raise no objection to any such financing or to the Liens on the Shared Collateral securing the same ("DIP Financing Liens") or to any use of cash collateral that constitutes Shared Collateral, unless any Controlling Secured Party, or an Authorized Representative of any Controlling Secured Party, shall then oppose or object to such DIP Financing or such DIP Financing Liens or use of cash collateral (and (i) to the extent that such DIP Financing Liens are senior to the Liens on any such Shared Collateral for the benefit of the Controlling Secured Parties, each Non-Controlling Secured Party will subordinate its Liens with respect to such Shared Collateral on the same terms as the Liens of the Controlling Secured Parties (other than any Liens of any Senior Secured Parties constituting DIP Financing Liens) are subordinated thereto, and (ii) to the extent that such DIP Financing Liens rank *pari passu* with the Liens on any such Shared Collateral granted to secure the First Lien Obligations of the Controlling Secured Parties, each Non-Controlling Secured Party will confirm the priorities with respect to such Shared Collateral as set forth herein), in each case so long as (A) the Senior Secured Parties of each Series retain the benefit of their Liens on all such Shared Collateral pledged to the DIP Lenders, including proceeds thereof arising after the commencement of such proceeding, with the same priority vis-á-vis all the other Senior Secured Parties (other than any Liens of the Senior Secured Parties constituting DIP Financing Liens) as existed prior to the commencement of the Bankruptcy Case, (B) the Senior Secured Parties of each Series are granted Liens on any additional collateral pledged to any Senior Secured Parties as adequate protection or otherwise in connection with such DIP Financing or use of cash collateral, with the same priority vis-á-vis the Senior Secured Parties as set forth in this Agreement, (C) if any amount of such DIP Financing or cash collateral is applied to repay any of the First Lien Obligations, such amount is applied pursuant to Section 2.01, and (D) if any Senior Secured Parties are granted adequate protection, including in the form of periodic payments, in connection with such DIP Financing or use of cash collateral, the proceeds of such adequate protection are applied pursuant to Section 2.01; *provided* that the Senior Secured Parties of each Series shall have a right to object to the grant of a Lien to secure the DIP Financing over any Collateral subject to Liens in favor of the Senior Secured Parties of such Series or their Authorized Representative that shall not constitute Shared Collateral; and *provided*, *further*, that the Senior Secured Parties receiving adequate protection shall not object to any other Senior Secured Party receiving adequate protection comparable to any adequate protection granted to such Senior Secured Parties in connection with a DIP Financing or use of cash collateral.

SECTION 2.06. Reinstatement. In the event that any of the First Lien Obligations shall be paid in full and such payment or any part thereof shall subsequently, for whatever reason (including an order or judgment for disgorgement of a preference under the Bankruptcy Code, or any similar law, or the settlement of any claim in respect thereof), be required to be returned or repaid, the terms and conditions of this Article II shall be fully applicable thereto until all such First Lien Obligations shall again have been paid in full in cash.

SECTION 2.07. Insurance. As between the Senior Secured Parties, the Applicable Collateral Agent (and in the case of the Additional First Lien Agent acting in such capacity, acting at the direction of the Applicable Authorized Representative) shall have the right to adjust or settle any insurance policy or claim covering or constituting Shared Collateral in the event of any loss thereunder and to approve any award granted in any condemnation or similar proceeding affecting the Shared Collateral.

SECTION 2.08. Refinancings. The First Lien Obligations of any Series may be Refinanced, in whole or in part, or otherwise amended or modified from time to time, in each case, without notice to, or the consent (except to the extent a consent is otherwise required to permit the Refinancing transaction under any First Lien Debt Document of such debt being Refinanced) of, any Senior Secured Party of any other Series, all without affecting the priorities provided for herein or the other provisions hereof; *provided* that the Authorized Representative of the holders of any such Refinancing indebtedness shall have executed a Joinder Agreement on behalf of the holders of such Refinancing indebtedness.

SECTION 2.09. Applicable Collateral Agent as Gratuitous Bailee for Perfection

(a) The Pledged or Controlled Collateral shall be delivered, or control thereof shall be transferred, to the Applicable Collateral Agent, and the Applicable Collateral Agent agrees to hold (and, pending delivery or transfer of control of the Pledged or Controlled Collateral to the Applicable Collateral Agent, each other Collateral Agent and each Authorized Representative agrees to hold) any Shared Collateral constituting Pledged or Controlled Collateral that is part of the Collateral from time to time in its possession or control (or in the possession or control of any agent or bailee) as gratuitous bailee for the benefit of each other Senior Secured Party and any assignee, or if the Applicable Collateral Agent shall at any time obtain any landlord waiver or bailee's letter or any similar agreement or arrangement granting it rights or access to Shared Collateral, the Applicable Collateral Agent agrees to take such actions with respect to such landlord waiver, bailee's letter or similar agreement or arrangement, as sub-agent or gratuitous bailee for the benefit of each other Senior Secured Party and any assignee, in each case, solely for the purpose of perfecting the security interest granted in such Pledged or Controlled Collateral, if any, pursuant to the applicable First Lien Debt Documents, subject to the terms and conditions of this Section 2.09; *provided*, that at any time the Administrative Agent ceases to be the Applicable Collateral Agent, the Administrative Agent, at the request of the Additional First Lien Agent, shall promptly deliver all Pledged or Controlled Collateral to the Additional First Lien Agent, in its capacity as the successor Applicable Collateral Agent, together with any necessary endorsements (or otherwise allow the Additional First Lien Agent to obtain control of such Pledged or Controlled Collateral). The Borrower shall take such further action as is required to effectuate the transfer contemplated hereby and shall indemnify each Collateral Agent for loss or damage suffered by such Collateral Agent as a result of such transfer except for loss or damage suffered by such Collateral Agent as a result of the willful misconduct, gross negligence, bad faith or material breach of this Agreement by such Collateral Agent or any affiliate, director, officer, employee, agent or attorney-in-fact of such Collateral Agent as determined by a final, non-appealable judgment of a court of competent jurisdiction.

(b) In the event that any Senior Secured Party other than the Applicable Collateral Agent receives any Pledged or Controlled Collateral, then such Senior Secured Party shall promptly deliver, or transfer control of, such Pledged or Controlled Collateral (including any Proceeds therefrom), together with any necessary endorsements and notices to depositary banks, securities intermediaries and commodities intermediaries, to the Applicable Collateral Agent.

(c) In the event that the Applicable Collateral Agent (or any agent or bailee thereof) has Lien filings against Intellectual Property (as defined in the Credit Agreement Security Agreement) that is part of the Shared Collateral that are necessary for the perfection of Liens in such Shared Collateral, the Applicable Collateral Agent, agrees to hold such Liens as sub-agent and gratuitous bailee for the benefit of each other Senior Secured Party and any assignee, in each case, solely for the purpose of perfecting the security interest granted in such Pledged or Controlled Collateral, if any, pursuant to the applicable First Lien Debt Documents, subject to the terms and conditions of this Section 2.09.

(d) The duties and responsibilities of each Collateral Agent under this Section 2.09 shall be limited solely to holding any Pledged or Controlled Collateral as gratuitous bailee for the benefit of each other Senior Secured Party for purposes of perfecting the Lien held by such Senior Secured Parties thereon.

(e) In furtherance of the foregoing, each Grantor hereby grants a security interest in the Shared Collateral to the Applicable Collateral Agent that controls Shared Collateral for the benefit of all Senior Secured Parties which have been granted a Lien on the Shared Collateral controlled by such Collateral Agent.

SECTION 2.10. Amendments to First Lien Security Documents.

(a) Without the prior written consent of the Administrative Agent, the Additional First Lien Agent, on behalf of itself and each other Additional Senior Secured Party, agrees that no Additional First Lien Security Document may be amended, supplemented or otherwise modified or entered into to the extent such amendment, supplement or modification, or the terms of any new Additional First Lien Security Document, would be prohibited by, or would require any Grantor to act or refrain from acting in a manner that would violate, any of the terms of this Agreement.

(b) Without the prior written consent of the Additional First Lien Agent, in its capacity as a Collateral Agent, the Administrative Agent agrees that no Credit Agreement Security Document may be amended, supplemented or otherwise modified or entered into to the extent such amendment, supplement or modification, or the terms of any new Credit Agreement Security Document, would be prohibited by, or would require any Grantor to act or refrain from acting in a manner that would violate, any of the terms of this Agreement.

(c) In making determinations required by this Section 2.10, each Collateral Agent may conclusively rely on an officer's certificate of the Borrower.

ARTICLE III

Existence and Amounts of Liens and Obligations

SECTION 3.01. Determinations with Respect to Amounts of Liens and Obligations. Whenever a Collateral Agent or any Authorized Representative shall be required, in connection with the exercise of its rights or the performance of its obligations hereunder, to determine the existence or amount of any First Lien Obligations of any Series, or the Shared Collateral subject to any Lien securing the First Lien Obligations of any Series, it may request that such information be furnished to it in writing by each other Authorized Representative or Collateral Agent and shall be entitled to make such determination or not make any determination on the basis of the information so furnished; *provided*, *however*, that if an Authorized Representative or a Collateral Agent shall fail or refuse reasonably promptly to provide the requested information, the requesting Collateral Agent or Authorized Representative shall be entitled to make any such determination by such method as it may, in the exercise of its good faith judgment, determine, including by reliance upon a certificate of the Borrower. Each Collateral Agent and each Authorized Representative may rely conclusively, and shall be fully protected in so relying, on any determination made by it in accordance with the provisions of the preceding sentence (or as otherwise directed by a court of competent jurisdiction) and shall have no liability to any Grantor, any Senior Secured Party or any other Person as a result of such determination.

ARTICLE IV

The Applicable Collateral Agent

SECTION 4.01. Authority.

(a) Notwithstanding any other provision of this Agreement, nothing herein shall be construed to impose any fiduciary or other duty on any Applicable Collateral Agent to any Non-Controlling Secured Party or give any Non-Controlling Secured Party the right to direct any Applicable Collateral Agent, except that each Applicable Collateral Agent shall be obligated to distribute proceeds of any Shared Collateral in accordance with Section 2.01.

(b) In furtherance of the foregoing, each Non-Controlling Secured Party acknowledges and agrees that the Applicable Collateral Agent shall be entitled, for the benefit of the Senior Secured Parties, to sell, transfer or otherwise dispose of or deal with any Shared Collateral as provided herein and in the First Lien Debt Documents, as applicable, pursuant to which the Applicable Collateral Agent is the Collateral Agent for such Shared Collateral, without regard to any rights to which the Non-Controlling Secured Parties would otherwise be entitled as a result of the First Lien Obligations held by such Non-Controlling Secured Parties. Without limiting the foregoing,

each Non-Controlling Secured Party agrees that none of the Applicable Collateral Agent, the Applicable Authorized Representative or any other Senior Secured Party shall have any duty or obligation first to marshal or realize upon any type of Shared Collateral (or any other Collateral securing any of the First Lien Obligations), or to sell, dispose of or otherwise liquidate all or any portion of such Shared Collateral (or any other Collateral securing any First Lien Obligations), in any manner that would maximize the return to the Non-Controlling Secured Parties, notwithstanding that the order and timing of any such realization, sale, disposition or liquidation may affect the amount of proceeds actually received by the Non-Controlling Secured Parties from such realization, sale, disposition or liquidation. Each of the Senior Secured Parties waives any claim it may now or hereafter have against any Collateral Agent or the Authorized Representative of any other Series of First Lien Obligations or any other Senior Secured Party of any other Series arising out of (i) any actions which any Collateral Agent, Authorized Representative or any Senior Secured Party takes or omits to take (including actions with respect to the creation, perfection or continuation of Liens on any Collateral, actions with respect to the foreclosure upon, sale, release or depreciation of, or failure to realize upon, any of the Collateral and actions with respect to the collection of any claim for all or any part of the First Lien Obligations from any account debtor, guarantor or any other party) in accordance with the First Lien Debt Documents or any other agreement related thereto or to the collection of the First Lien Obligations or the valuation, use, protection or release of any security for the First Lien Obligations, (ii) any election by any Applicable Authorized Representative or any holders of First Lien Obligations, in any proceeding instituted under the Bankruptcy Code, of the application of Section 1111(b) of the Bankruptcy Code or (iii) subject to Section 2.05, any borrowing, or grant of a security interest or administrative expense priority under Section 364 of the Bankruptcy Code or any equivalent provision of any other Bankruptcy Law, by the Borrower or any of their Subsidiaries, as debtor-in-possession. Notwithstanding any other provision of this Agreement, the Applicable Collateral Agent shall not accept any Shared Collateral in full or partial satisfaction of any First Lien Obligations pursuant to Section 9-620 of the Uniform Commercial Code of any jurisdiction, without the consent of each Authorized Representative representing holders of First Lien Obligations for which such Collateral constitutes Shared Collateral.

ARTICLE V

Miscellaneous

SECTION 5.01. Notices. All notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

(a) if to the Administrative Agent, to it at:

Deutsche Bank AG New York Branch
60 Wall Street
New York, NY 10005
Attn: Mark Kellam
E-mail: agency.transactions@db.com
Fax: (904)746-4860

(b) if to the Additional First Lien Agent or the Initial Additional Authorized Representative, to it at [ADDRESS], Attention: [ ] , Facsimile No.: [ ]; email: [ ];

(c) if to any Grantor, to the Borrower, at:

Life Time Fitness, Inc.
2902 Corporate Place
Chanhassen, MN 55317
Attn: Eric Buss / Chief Financial Officer
E-mail: Ebuss@lifetimefitness.com
Facsimile: (952) 947-0099

with a copy to:

Faegre Baker Daniels LLP
2200 Wells Fargo Center
90 South Seventh Street
Minneapolis, MN 55402-3901
Attention: James M. Pfau
Facsimile: (612) 766-1600
Email: jim.pfau@faegrebd.com

(d) if to any other Additional Authorized Representative, to it at the address set forth in the applicable Joinder Agreement.

Unless otherwise specifically provided herein, any notice or other communication herein required or permitted to be given shall be in writing and, may be personally served, telecopied, electronically mailed or sent by courier service or U.S. mail and shall be deemed to have been given when delivered in person or by courier service, upon receipt of a telecopy or electronic mail or upon receipt via U.S. mail (registered or certified, with postage prepaid and properly addressed). For the purposes hereof, the addresses of the parties hereto shall be as set forth above or, as to each party, at such other address as may be designated by such party in a written notice to all of the other parties. As agreed to in writing among each Authorized Representative from time to time, notices and other communications may also be delivered by e-mail to the e-mail address of a representative of the applicable Person provided from time to time by such Person.

SECTION 5.02. Waivers; Amendment; Joinder Agreements.

(a) No failure or delay on the part of any party hereto in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the parties hereto are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by any party therefrom shall in any event be effective unless the same shall be permitted by Section 5.02(b), and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice or demand on any party hereto in any case shall entitle such party to any other or further notice or demand in similar or other circumstances.

(b) Neither this Agreement nor any provision hereof may be terminated, waived, amended or modified (other than pursuant to any Joinder Agreement) except pursuant to an agreement or agreements in writing entered into by each Authorized Representative and each Collateral Agent (and with respect to any such termination, waiver, amendment or modification which by the terms of this Agreement requires the Borrower's consent or which increases the obligations or reduces the rights of, imposes additional duties on, or otherwise adversely affects the Borrower or any Grantor, with the consent of the Borrower).

(c) Notwithstanding the foregoing, without the consent of any Senior Secured Party, any Authorized Representative may become a party hereto by execution and delivery of a Joinder Agreement in accordance with Section 5.13 and upon such execution and delivery, such Authorized Representative and the Additional Senior Secured Parties and Additional First Lien Obligations of the Series for which such Authorized Representative is acting shall be subject to the terms hereof.

(d) Notwithstanding the foregoing, without the consent of any other Authorized Representative or Senior Secured Party, the Collateral Agents may, and at the request of the Borrower shall, effect amendments and modifications to this Agreement to the extent necessary to reflect any incurrence of any Additional First Lien Obligations or any Refinancing of First Lien Obligations in compliance with the Credit Agreement and the other First Lien Debt Documents; provided, that the Collateral Agents may condition their execution and delivery of any such amendment or modification on receipt of an officer's certificate from the Borrower certifying that such incurrence or Refinancing is permitted by the then extant First Lien Debt Documents.

SECTION 5.03. Parties in Interest. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns, as well as the other Senior Secured Parties, all of which are intended to be bound by, and to be third party beneficiaries of, this Agreement.

SECTION 5.04. Survival of Agreement. All covenants, agreements, representations and warranties made by any party in this Agreement shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement.

SECTION 5.05. Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Agreement by facsimile or other electronic transmission shall be as effective as delivery of a manually executed counterpart hereof.

SECTION 5.06. Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction. The parties shall endeavor in good faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 5.07. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

SECTION 5.08. Submission to Jurisdiction Waivers; Consent to Service of Process. Each Collateral Agent and each Authorized Representative, on behalf of itself and the Senior Secured Parties of the Series for which it is acting, irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the First Lien Debt Documents, or for recognition and enforcement of any judgment in respect thereof, to the exclusive jurisdiction of the courts of the State of New York located in the Borough of Manhattan, the courts of the United States for the Southern District of New York, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient forum and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such Person (or its Authorized Representative) at the address set forth in Section 5.01;

(d) agrees that nothing herein shall affect the right of any other party hereto (or any Senior Secured Party) to effect service of process in any other manner permitted by law; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section 5.08 any special, exemplary, punitive or consequential damages.

SECTION 5.09. WAIVER OF JURY TRIAL. EACH PARTY (ON BEHALF OF ITSELF, ANY PERSON CLAIMING BY, ON BEHALF, OR THROUGH SUCH PARTY, OR ANY PERSON ON WHOSE BEHALF SUCH PARTY IS ACTING) HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT AND FOR ANY COUNTERCLAIM THEREIN.

SECTION 5.10. Headings. Article, Section and Annex headings used herein are for convenience of reference only, are not part of this Agreement and are not to affect the construction of, or to be taken into consideration in interpreting, this Agreement.

SECTION 5.11. Conflicts. In the event of any conflict or inconsistency between the provisions of this Agreement and the provisions of any of the First Lien Debt Documents or any of the other First Lien Debt Documents, the provisions of this Agreement shall control.

SECTION 5.12. Provisions Solely to Define Relative Rights. The provisions of this Agreement are and are intended solely for the purpose of defining the relative rights of the Senior Secured Parties in relation to one another. None of the Borrower, any other Grantor or any creditor thereof shall have any rights or obligations hereunder, except as expressly provided in this Agreement (*provided* that nothing in this Agreement (other than Section 2.04, 2.05, 2.08, 2.09 or Article V) is intended to or will amend, waive or otherwise modify the provisions of the Credit Agreement or any Additional First Lien Documents), and none of the Borrower or any other Grantor may rely on the terms hereof (other than Sections 2.04, 2.05, 2.08, 2.09, 2.10 and Article V). Nothing in this Agreement is intended to or shall impair the obligations of any Grantor, which are absolute and unconditional, to pay the First Lien Obligations as and when the same shall become due and payable in accordance with their terms.

SECTION 5.13. Additional Senior Debt. To the extent, but only to the extent, permitted by the provisions of the then extant First Lien Debt Documents, the Borrower may incur additional indebtedness after the date hereof that is permitted by the then extant First Lien Debt Documents to be incurred and secured on an equal and ratable basis as the Liens securing the First Lien Obligations (such indebtedness referred to as "Additional Senior Class Debt"). Any such Additional Senior Class Debt may be secured by a Lien and may be Guaranteed by the Grantors on a senior basis, in each case under and pursuant to the Additional First Lien Documents relating thereto, if and subject to the condition that the Authorized Representative of any such Additional Senior Class Debt (each an "Additional Senior Class Debt Representative"), acting on behalf of the holders of such Additional Senior Class Debt (such Authorized Representative and holders in respect of any Additional Senior Class Debt being referred to as the "Additional Senior Class Debt Parties"), becomes a party to this Agreement by satisfying the conditions set forth in clauses (i) through (iv) of the immediately succeeding paragraph.

In order for an Additional Senior Class Debt Representative to become a party to this Agreement,

(i) such Additional Senior Class Debt Representative, each Collateral Agent, the Applicable Authorized Representative and each Grantor shall have executed and delivered an instrument substantially in the form of Annex II (with such changes as may be reasonably approved by such Collateral Agent, the Additional Senior Class Debt Representative and the Borrower) pursuant to which such Additional Senior Class Debt Representative becomes an Authorized Representative hereunder, and the Additional Senior Class Debt in respect of which such Additional Senior Class Debt Representative is the Authorized Representative and the related Additional Senior Class Debt Parties become subject hereto and bound hereby;

(ii) the Borrower shall have (x) delivered to each Collateral Agent true and complete copies of each of the Additional First Lien Documents relating to such Additional Senior Class Debt, certified as being true and correct by a Responsible Officer of the Borrower, and (y) identified in a certificate of an authorized officer the obligations to be designated as Additional First Lien Obligations and the initial aggregate principal amount or face amount thereof;

(iii) all filings, recordations and/or amendments or supplements to the First Lien Debt Documents necessary or desirable in the reasonable judgment of the Additional First Lien Agent as a Collateral Agent to confirm and perfect the Liens securing the relevant obligations relating to such Additional Senior Class Debt shall have been made, executed and/or delivered (or, with respect to any such filings or recordations, acceptable provisions to perform such filings or recordations shall have been taken in the reasonable judgment of the Additional First Lien Agent), and all fees and taxes in connection therewith shall have been paid (or acceptable provisions to make such payments shall have been taken in the reasonable judgment of the Additional First Lien Agent); and

(iv) the Additional First Lien Documents, as applicable, relating to such Additional Senior Class Debt shall provide, in a manner reasonably satisfactory to each Collateral Agent, that each Additional Senior Class Debt Party with respect to such Additional Senior Class Debt will be subject to and bound by the provisions of this Agreement in its capacity as a holder of such Additional Senior Class Debt.

Each Authorized Representative acknowledges and agrees that upon execution and delivery of a Joinder Agreement substantially in the form of Annex II by an Additional Senior Class Debt Representative and each Grantor in accordance with this Section 5.13, the Additional First Lien Agent will continue to act in its capacity as Additional First Lien Agent in respect of the then existing Authorized Representatives (other than the Administrative Agent) and such additional Authorized Representative.

SECTION 5.14. Agent Capacities. Except as expressly provided herein or in the Credit Agreement Security Documents, [Deutsche Bank AG New York Branch] is acting in the capacity of Administrative Agent. Except as expressly provided herein or in the Additional First Lien Security Documents, [ ] is acting in the capacity of Additional First Lien Agent solely for the Additional Senior Secured Parties. Except as expressly set forth herein, neither the Administrative Agent nor the Additional First Lien Agent shall have any duties or obligations in respect of any of the Collateral, all of such duties and obligations, if any, being subject to and governed by the applicable First Lien Debt Documents.

SECTION 5.15. Integration. This Agreement together with the other First Lien Debt Documents represents the agreement of each of the Grantors and the Senior Secured Parties with respect to the subject matter hereof and there are no promises, undertakings, representations or warranties by any Grantor, the Administrative Agent or any other Senior Secured Party relative to the subject matter hereof not expressly set forth or referred to herein or in the other First Lien Debt Documents.

[GRANTORS]

ANNEX II

[FORM OF] JOINDER NO. [ ] dated as of [ ], 20[ ] to EQUAL PRIORITY INTERCREDITOR AGREEMENT, dated as of [ ], 20[ ] (as amended, restated, amended and restated, extended, supplemented and/or otherwise modified from time to time the "Equal Priority Intercreditor Agreement"), among LTF INTERMEDIATE HOLDINGS, INC., a Delaware limited liability company ("Holdings"), Life Time Fitness, Inc., a Minnesota corporation, as Borrower, the other Grantors from time to time party thereto, [DEUTSCHE BANK AG NEW YORK BRANCH], as collateral agent for the Credit Agreement Secured Parties (in such capacity and together with its successors in such capacity, the "Administrative Agent"), [DEUTSCHE BANK AG NEW YORK BRANCH], as Authorized Representative for the Credit Agreement Secured Parties, [ ], as collateral agent for the Initial Additional Senior Secured Parties (in such capacity and together with its successors in such capacity, the "Additional First Lien Agent"), [ ], as Authorized Representative for the Initial Additional Senior Secured Parties (in such capacity and together with its successors in such capacity, the "Initial Additional Authorized Representative"), and each additional Authorized Representative from time to time party thereto for the other Additional Senior Secured Parties of the Series with respect to which it is acting in such capacity.

A. Capitalized terms used herein but not otherwise defined herein shall have the meanings assigned to such terms in the Equal Priority Intercreditor Agreement.

B. As a condition to the ability of the Borrower to incur Additional First Lien Obligations and to secure such Additional Senior Class Debt with the liens and security interests created by the Additional First Lien Security Documents, the Additional Senior Class Debt Representative in respect of such Additional Senior Class Debt is required to become an Authorized Representative, and such Additional Senior Class Debt and the Additional Senior Class Debt Parties in respect thereof are required to become subject to and bound by the Equal Priority Intercreditor Agreement. Section 5.13 of the Equal Priority Intercreditor Agreement provides that such Additional Senior Class Debt Representative may become an Authorized Representative, and such Additional Senior Class Debt and such Additional Senior Class Debt Parties may become subject to and bound by the Equal Priority Intercreditor Agreement, upon the execution and delivery by the Senior Debt Class Representative of an instrument in the form of this Joinder Agreement and the satisfaction of the other conditions set forth in Section 5.13 of the Equal Priority Intercreditor Agreement. The undersigned Additional Senior Class Debt Representative (the "New Representative") is executing this Joinder Agreement in accordance with the requirements of the Equal Priority Intercreditor Agreement and the First Lien Debt Documents.

Accordingly, each Collateral Agent, the Applicable Authorized Representative and the New Representative agree as follows:

SECTION 1. In accordance with Section 5.13 of the Equal Priority Intercreditor Agreement, the New Representative by its signature below becomes an Authorized Representative under, and the related Additional Senior Class Debt and Additional Senior Class Debt Parties become subject to and bound by, the Equal Priority Intercreditor Agreement with the same force and effect as if the New Representative had originally been named therein as an Authorized Representative and the New Representative, on its behalf and on behalf of such Additional Senior Class Debt Parties, hereby agrees to all the terms and provisions of the Equal Priority Intercreditor Agreement applicable to it as Authorized Representative and to the Additional Senior Class Debt Parties that it represents as Additional Senior Secured Parties. Each reference to an "Authorized Representative" in the Equal Priority Intercreditor Agreement shall be deemed to include the New Representative. The Equal Priority Intercreditor Agreement is hereby incorporated herein by reference.

SECTION 2. The New Representative represents and warrants to each Collateral Agent, each Authorized Representative and the other Senior Secured Parties, individually, that (i) it has full power and authority to enter into this Joinder, in its capacity as [agent] [trustee], (ii) this Joinder has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, and (iii) the Additional First Lien Documents relating to such Additional Senior Class Debt provide that, upon the New Representative's entry into this Joinder Agreement, the Additional Senior Class Debt Parties in respect of such Additional Senior Class Debt will be subject to and bound by the provisions of the Equal Priority Intercreditor Agreement as Additional Senior Secured Parties.

SECTION 3. This Joinder may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Joinder shall become effective when each Collateral Agent shall have received a counterpart of this Joinder that bears the signatures of the New Representative. Delivery of an executed signature page to this Joinder by facsimile transmission shall be as effective as delivery of a manually signed counterpart of this Joinder.

SECTION 4. Except as expressly supplemented hereby, the Equal Priority Intercreditor Agreement shall remain in full force and effect.

SECTION 5. THIS JOINDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

SECTION 6. In case any one or more of the provisions contained in this Joinder should be held invalid, illegal or unenforceable in any respect, no party hereto shall be required to comply with such provision for so long as such provision is held to be invalid, illegal or unenforceable, but the validity, legality and enforceability of the remaining provisions contained herein and in the Equal Priority Intercreditor Agreement shall not in any way be affected or impaired. The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 7. All communications and notices hereunder shall be in writing and given as provided in Section 5.01 of the Equal Priority Intercreditor Agreement. All communications and notices hereunder to the New Representative shall be given to it at its address set forth below its signature hereto.

SECTION 8. The Borrower agrees to reimburse each Collateral Agent for its reasonable out-of-pocket expenses in connection with this Joinder, including the reasonable fees, other charges and disbursements of counsel.

EXHIBIT G-2

FORM OF JUNIOR LIEN INTERCREDITOR AGREEMENT

JUNIOR LIEN INTERCREDITOR AGREEMENT

Dated as of [ ] [ ], 20[ ]

among

LTF INTERMEDIATE HOLDINGS, INC.,
as Holdings,

LIFE TIME FITNESS, INC.,
as Borrower,

and the other Grantors from time to time party hereto,

[DEUTSCHE BANK AG NEW YORK BRANCH],
as the Initial Senior Agent for the Credit Agreement Secured Parties,

[ ],
as the Initial Second Priority Representative,

and

each additional Representative from time to time party hereto

JUNIOR LIEN INTERCREDITOR AGREEMENT dated as of as of [ ] [ ], 20[ ] (as amended, restated, amended and restated, extended, supplemented and/or otherwise modified from time to time, this "Agreement"), among LTF INTERMEDIATE HOLDINGS, INC., a Delaware limited liability company ("Holdings"), LIFE TIME FITNESS, INC., a Minnesota corporation and successor in interest to LTF Merger Sub, Inc., as Borrower, the other Grantors (as defined below) from time to time party hereto, [DEUTSCHE BANK AG NEW YORK BRANCH], as Representative for the Credit Agreement Secured Parties (in such capacity, the "Initial Senior Agent"), [ ], as Representative for the Initial Second Priority Debt Parties (in such capacity and together with its successors in such capacity, the "Initial Second Priority Representative"), and each additional Second Priority Representative and Senior Representative that from time to time becomes a party hereto pursuant to Section 8.09.

In consideration of the mutual agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Initial Senior Agent (for itself and on behalf of the Credit Agreement Secured Parties), the Initial Second Priority Representative (for itself and on behalf of the Initial Second Priority Debt Parties) and each additional Senior Representative (for itself and on behalf of the Additional Senior Debt Parties under the applicable Additional Senior Debt Facility) and each additional Second Priority Representative (for itself and on behalf of the Second Priority Debt Parties under the applicable Second Priority Debt Facility) agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Certain Defined Terms. Capitalized terms used but not otherwise defined herein have the meanings set forth in the Credit Agreement, unless otherwise specified, or, if defined in the New York UCC, the meanings specified therein. As used in this Agreement, the following terms have the meanings specified below:

"Additional Senior Debt" means any Indebtedness that is issued or guaranteed by the Borrower and/or any Guarantor which Indebtedness and Guarantees are secured by the Senior Collateral (or a portion thereof) on a pari passu basis (but without regard to control of remedies) with the Credit Agreement Obligations; provided, however, that (i) such Indebtedness is permitted to be incurred, secured and guaranteed on such basis by each then existing Senior Debt Document and Second Priority Debt Document and (ii) the Representative for the holders of such Indebtedness shall have become party to (A) this Agreement pursuant to, and by satisfying the conditions set forth in, Section 8.09 hereof and (B) the Equal Priority Intercreditor Agreement, pursuant to Section 5.13 thereof. Additional Senior Debt shall include any Registered Equivalent Notes and Guarantees thereof by the Guarantors issued in exchange therefor; provided further that if such Indebtedness will be the initial Additional Senior Debt incurred by the Borrower, then the Borrower, the other Grantors, the Initial Senior Agent and the Representative for such Indebtedness shall have executed and delivered the Equal Priority Intercreditor Agreement.

"Additional Senior Debt Documents" means, with respect to any series, issue or class of Additional Senior Debt, the promissory notes, indentures, Collateral Documents applicable to such Additional Senior Debt or other operative agreements evidencing or governing such Indebtedness, including the Senior Collateral Documents.

"Additional Senior Debt Facility" means each indenture or other governing agreement with respect to any Additional Senior Debt.

"Additional Senior Debt Obligations" means, with respect to any series, issue or class of Additional Senior Debt, (a) all principal of, and interest (including, without limitation, any interest and fees which accrue after the commencement of any Bankruptcy Case, whether or not allowed or allowable as a claim in any such proceeding) payable with respect to, such Additional Senior Debt, (b) all other amounts payable to the related Additional Senior Debt Parties under the related Additional Senior Debt Documents and (c) any renewals or extensions of the foregoing.

"Additional Senior Debt Parties" means, with respect to any series, issue or class of Additional Senior Debt, the holders of such Indebtedness, the Representative with respect thereto, any trustee or agent therefor under any related Additional Senior Debt Documents and the beneficiaries of each indemnification obligation undertaken by the Borrower or any Guarantor under any related Additional Senior Debt Documents.

"Agreement" has the meaning assigned to such term in the introductory paragraph of this Agreement.

"Bankruptcy Case" means a case under the Bankruptcy Code or any other Bankruptcy Law.

"Bankruptcy Code" means Title 11 of the United States Code or any similar foreign, federal or state law for relief of debtors as now or hereinafter in effect.

"Bankruptcy Law" means the Bankruptcy Code and any other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, suspension of payments, reorganization or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

"Borrower" means Life Time Fitness, Inc., a Minnesota corporation (or its permitted successors).

"Class Debt" has the meaning assigned to such term in Section 8.09.

"Class Debt Parties" has the meaning assigned to such term in Section 8.09.

"Class Debt Representatives" has the meaning assigned to such term in Section 8.09.

"Closing Date" has the meaning assigned to such term in the introductory paragraph of this Agreement hereof.

"Collateral" means the Senior Collateral and the Second Priority Collateral.

"Collateral Documents" means the Senior Collateral Documents and the Second Priority Collateral Documents.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

"Credit Agreement" means that certain Credit Agreement, dated as of June 10, 2015, among Holdings, the Borrower, each other Guarantor from time to time party thereto, Deutsche Bank AG New York Branch, as administrative agent and as collateral agent, and the lenders and other parties from time to time party thereto, as amended, restated, amended and restated, extended, supplemented, Refinanced and/or otherwise modified from time to time.

"Credit Agreement Loan Documents" means the Credit Agreement and the other "Loan Documents" as defined in the Credit Agreement.

"Credit Agreement Obligations" means the "Obligations" (as such term is defined in the Credit Agreement).

"Credit Agreement Secured Parties" means the "Secured Parties" (as such term is defined in the Credit Agreement).

"Debt Facility" means any Senior Facility and any Second Priority Debt Facility.

"Designated Second Priority Representative" means (i) the Initial Second Priority Representative, until such time as the Second Priority Debt Facility under the Initial Second Priority Debt Documents ceases to be the only Second Priority Debt Facility under this Agreement and (ii) thereafter, the Second Priority Representative designated from time to time by the Second Priority Instructing Group, in a notice to the Designated Senior Representative and the Borrower, as the "Designated Second Priority Representative" for purposes hereof.

"Designated Senior Representative" means (i) for so long as there is only one Senior Facility with respect to which the Discharge of Senior Obligations has not occurred, the Senior Representative for such Senior Facility, and (ii) at any time when clause (i) does not apply, the "Applicable Collateral Agent," as such term is defined in the "Equal Priority Intercreditor Agreement" (as such term is defined in the Credit Agreement).

"DIP Financing" has the meaning assigned to such term in Section 6.01.

"Discharge" means, with respect to any Shared Collateral and any Debt Facility, the date on which such Debt Facility and the Senior Obligations or Second Priority Debt Obligations thereunder, as the case may be, are no longer secured by such Shared Collateral pursuant to the terms of the documentation governing such Debt Facility. The term "Discharged" has a corresponding meaning.

"Discharge of Credit Agreement Obligations" means, with respect to any Shared Collateral, the Discharge of the Credit Agreement Obligations with respect to such Shared Collateral; provided that the Discharge of Credit Agreement Obligations shall not be deemed to have occurred in connection with a Refinancing of such Credit Agreement Obligations with an Additional Senior Debt Facility secured by such Shared Collateral under one or more Additional Senior Debt Documents which has been designated in writing by the administrative agent (under the Credit Agreement as so Refinanced) to each Senior Representative as the "Credit Agreement" for purposes of this Agreement.

"Discharge of Senior Obligations" means the date on which the Discharge of Credit Agreement Obligations and the Discharge of each Additional Senior Debt Facility have occurred.

"Grantors" means the Initial Grantors and each other direct or indirect Subsidiary of the Borrower that has granted a security interest pursuant to any Collateral Document to secure any Secured Obligations.

"Holdings" has the meaning assigned to such term in the introductory paragraph of this Agreement hereof.

"Impairment" has the meaning assigned to such term in Section 1.03.

"Initial Grantors" means Holdings, the Borrower and the Subsidiaries listed in Annex I hereto.

"Initial Second Priority Collateral Documents" means the documents listed in Schedule 1.01A to the Initial Second Priority Credit Agreement, and any other security agreements, pledge agreements, collateral assignments, mortgages, deeds of trust, control agreements, guarantees, notes or any other documents or instruments now existing or entered into after the date hereof that create Liens on any assets or properties of any Grantor to secure any Initial Second Priority Debt Obligations (including any such agreements, assignments, mortgages, deeds of trust and other documents or instruments associated therewith).

"Initial Second Priority Credit Agreement" means that certain Junior Lien Term Loan Credit Agreement, dated as of [ ] [ ], 20[ ], among Holdings, the Borrower, each other Guarantor from time to time party thereto, [ ] as administrative agent, and the lenders from time to time party thereto, subject to the terms of this Agreement, as amended, restated, amended and restated, extended, supplemented, Refinanced and/or otherwise modified from time to time.

"Initial Second Priority Debt" means the Second Priority Debt incurred pursuant to the Initial Second Priority Debt Documents.

"Initial Second Priority Debt Documents" means the Initial Second Priority Credit Agreement and the other "Loan Documents" as defined in the Initial Second Priority Credit Agreement.

"Initial Second Priority Debt Obligations" means the "Obligations" as defined in the Initial Second Priority Credit Agreement.

"Initial Second Priority Debt Parties" means the "Secured Parties" as defined in Initial Second Priority Credit Agreement.

"Initial Second Priority Representative" has the meaning assigned to such term in the introductory paragraph to this Agreement.

"Initial Senior Agent" has the meaning assigned to such term in the introductory paragraph to this Agreement.

"Insolvency or Liquidation Proceeding" means:

(a) any case commenced by or, against any Grantor under the Bankruptcy Code, any other proceeding for the reorganization, recapitalization or adjustment or marshalling of the assets or liabilities of any Grantor, any receivership or assignment for the benefit of creditors relating to any Grantor or any similar case or proceeding relative to any Grantor or its creditors, as such, in each case whether or not voluntary;

(b) any liquidation, dissolution, marshalling of assets or liabilities or other winding up of or relating to any Grantor, in each case whether or not voluntary and whether or not involving bankruptcy or insolvency, in each case to the extent not permitted under the Senior Debt Documents;

(c) any proceeding seeking the appointment of any trustee, receiver, liquidator, custodian or other insolvency official with similar powers with respect to any Grantor or any of its assets; or

(d) any other proceeding of any type or nature in which substantially all claims of creditors of any Grantor are determined and any payment or distribution is or may be made on account of such claims.

"Joinder Agreement" means a supplement to this Agreement in the form of Annex III or Annex IV hereof required to be delivered by a Representative to the Designated Senior Representative pursuant to Section 8.09 hereof in order to include an additional Debt Facility hereunder and to become the Representative hereunder for the Senior Secured Parties or Second Priority Debt Parties, as the case may be, under such Debt Facility.

"Lien" means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge, trust (deemed or statutory) or security interest in, on or of such asset, whether or not filed, recorded or otherwise perfected under applicable law, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities; provided that in no event shall an operating lease be deemed to be a Lien.

"Major Second Priority Representative" means, with respect to any Shared Collateral, the Second Priority Representative of the series, issue or class of Second Priority Debt that constitutes the largest outstanding principal amount of any then outstanding series, issue or class of Second Priority Debt with respect to such Shared Collateral.

"Maximum Senior Lien Amount" [means an amount no greater than (a) the Fixed Incremental Amount (as defined in the Credit Agreement), *plus* (b) such additional amount that would not result in (i) with

regard to Indebtedness secured on a *pari passu* basis with the Closing Date Term Loans (as defined in the Credit Agreement) the Borrower's First Lien Net Leverage Ratio exceeding 4.00:1.00, (ii) with regard to Indebtedness secured on a junior lien basis to the Closing Date Term Loans, the Borrower's Total Net Leverage Ratio exceeding 5.10:1.00 or (iii) with regard to Indebtedness that is unsecured, the Borrower's Total Net Leverage Ratio exceeding 5.10:1.00 or the Fixed Charge Coverage Ratio being less than 2.00:1.00, in each case as calculated under the Credit Agreement., *plus* (c) without duplication of the amounts set forth in (a) and (b), the sum of (1) any other Additional Senior Debt the incurrence of which is permitted by Sections 7.01 and 7.02 of the Credit Agreement as in effect on the date hereof and (2) the amount (if any) of Additional Senior Debt in excess of the amount set forth in clause (c)(1) above the incurrence of which is permitted by the Second Priority Debt Documents *plus* (d) without duplication of the amounts set forth in clauses (a), (b) and (c) above, any Refinancing Indebtedness incurred, issued or otherwise obtained to Refinance (in whole or in part) Indebtedness permitted to be incurred under the Credit Agreement].

"New York UCC" means the Uniform Commercial Code as from time to time in effect in the State of New York.

"Officer's Certificate" has the meaning assigned to such term in Section 8.08.

"Permitted Senior Incremental Equivalent Debt" means "Permitted Incremental Equivalent Debt" under and as defined in the Credit Agreement as in effect as of the Closing Date.

"Person" means any individual, sole proprietorship, partnership, limited liability company, joint venture, joint-stock company, trust, unincorporated organization, association, corporation, government or any agency or political subdivision thereof or any other entity.

"Pledged or Controlled Collateral" has the meaning assigned to such term in Section 5.05(a).

"Proceeds" means the proceeds of any sale, collection or other liquidation of Shared Collateral and any payment or distribution made in respect of Shared Collateral in a Bankruptcy Case and any amounts received by any Senior Representative or any Senior Secured Party from a Second Priority Debt Party in respect of Shared Collateral pursuant to this Agreement.

"Recovery" has the meaning assigned to such term in Section 6.04.

"Refinance" means, in respect of any indebtedness, to refinance, extend, renew, defease, amend, increase, modify, supplement, restructure, refund, replace or repay, or to issue other indebtedness or enter alternative financing arrangements, in exchange or replacement for such indebtedness (in whole or in part), including by adding or replacing lenders, creditors, agents, borrowers and/or guarantors, and including in each case, but not limited to, after the original instrument giving rise to such indebtedness has been terminated and including, in each case, through any credit agreement, indenture or other agreement. "Refinanced" and "Refinancing" have correlative meanings.

"Replacement Senior Obligations" has the meaning assigned to such term in Section 8.22.

"Representatives" means the Senior Representatives and the Second Priority Representatives.

"Second Priority Class Debt" has the meaning assigned to such term in Section 8.09.

"Second Priority Class Debt Parties" has the meaning assigned to such term in Section 8.09.

"Second Priority Class Debt Representative" has the meaning assigned to such term in Section 8.09.

"Second Priority Collateral" means any "Collateral" as defined in any Second Priority Debt Document or any other assets of the Borrower or any other Grantor with respect to which a Lien is granted or purported to be granted pursuant to a Second Priority Collateral Document as security for any Second Priority Debt Obligation.

"Second Priority Collateral Documents" means the Initial Second Priority Collateral Documents and each of the collateral agreements, security agreements and other instruments and documents executed and delivered by the Borrower or any Grantor for purposes of providing collateral security for any Second Priority Debt Obligation.

"Second Priority Debt" means any Indebtedness of the Borrower or any other Grantor guaranteed by the Guarantors (and not guaranteed by any Subsidiary that is not a Guarantor), including the Initial Second Priority Debt, which Indebtedness and guarantees are secured by the Second Priority Collateral on a pari passu basis (but without regard to control of remedies, other than as provided by the terms of the applicable Second Priority Debt Documents) with any other Second Priority Debt Obligations and the applicable Second Priority Debt Documents which provide that such Indebtedness and guarantees are to be secured by such Second Priority Collateral on a subordinate basis to the Senior Debt Obligations (and which is not secured by Liens on any assets of the Borrower or any other Grantor other than the Second Priority Collateral or which are not included in the Senior Collateral); provided, however, that (i) such Indebtedness is permitted to be incurred, secured and guaranteed on such basis by each then existing Senior Debt Document and Second Priority Debt Document and (ii) except in the case of the Initial Second Priority Debt hereunder, the Representative for the holders of such Indebtedness shall have become party to this Agreement pursuant to, and by satisfying the conditions set forth in, Section 8.09 hereof.

"Second Priority Debt Documents" means the Initial Second Priority Debt Documents and, with respect to any series, issue or class of Second Priority Debt, the promissory notes, indentures, Collateral Documents or other operative agreements evidencing or governing such Indebtedness, including the Second Priority Collateral Documents.

"Second Priority Debt Facility" means each indenture or other governing agreement with respect to any Second Priority Debt.

"Second Priority Debt Obligations" means the Initial Second Priority Debt Obligations and, with respect to any series, issue or class of Second Priority Debt, (a) all principal of, and interest (including, without limitation, any interest which accrues after the commencement of any Bankruptcy Case, whether or not allowed or allowable as a claim in any such proceeding) payable with respect to, such Second Priority Debt, (b) all other amounts payable to the related Second Priority Debt Parties under the related Second Priority Debt Documents and (c) any renewals or extensions of the foregoing.

"Second Priority Debt Parties" means the Initial Second Priority Debt Parties and, with respect to any series, issue or class of Second Priority Debt, the holders of such Indebtedness, the Representative with respect thereto, any trustee or agent therefor under any related Second Priority Debt Documents and the beneficiaries of each indemnification obligation undertaken by the Borrower or any Guarantor under any related Second Priority Debt Documents.

"Second Priority Enforcement Date" means, with respect to any Second Priority Representative, the date which is 180 days (throughout which 180 day period such Second Priority Representative was the Major Second Priority Representative) after the occurrence of both (i) an Event of Default (under and as defined in the Second Priority Debt Documents under which such Second Priority Representative is Representative) and (ii) the Designated Senior Representative's and each other Representative's receipt of written notice from such Second Priority Representative that (x) such Second Priority Representative is the Major Second Priority Representative and that an Event of Default (under and as defined in the Second Priority Debt Documents under which such Second Priority Representative is Representative) has occurred and is continuing and (y) the Second Priority Debt Obligations of the series, issue or class with respect to which such Second Priority Representative is the Second Priority Representative are currently due and payable in full (whether as a result of acceleration thereof or otherwise) in accordance with the terms of the applicable Second Priority Debt Document; provided that the Second Priority Enforcement Date shall be stayed and shall not occur and shall be deemed not to have occurred with respect to any Shared Collateral (1) at any time the Designated Senior Representative has commenced and is diligently

pursuing any enforcement action with respect to such Shared Collateral or (2) at any time the Grantor which has granted a security interest in such Shared Collateral is then a debtor under or with respect to (or otherwise subject to) any Insolvency or Liquidation Proceeding.

"Second Priority Instructing Group" means Second Priority Representatives with respect to Second Priority Debt Facilities under which at least a majority of the then aggregate amount of Second Priority Debt Obligations are outstanding.

"Second Priority Lien" means the Liens on the Second Priority Collateral in favor of the Second Priority Debt Parties under the Second Priority Collateral Documents.

"Second Priority Representative" means (i) in the case of the Initial Second Priority Debt, the Initial Second Priority Representative and (ii) in the case of any other Second Priority Debt Facility and the Second Priority Debt Parties thereunder, the trustee, administrative agent, collateral agent, security agent or similar agent under such Second Priority Debt Facility that is named as the Representative in respect of such Second Priority Debt Facility in the applicable Joinder Agreement.

"Secured Obligations" means the Senior Obligations and the Second Priority Debt Obligations.

"Secured Parties" means the Senior Secured Parties and the Second Priority Debt Parties.

"Senior Class Debt" has the meaning assigned to such term in Section 8.09.

"Senior Class Debt Parties" has the meaning assigned to such term in Section 8.09.

"Senior Class Debt Representative" has the meaning assigned to such term in Section 8.09.

"Senior Collateral" means any "Collateral" as defined in any Credit Agreement Loan Documents or any other Senior Debt Documents or any other assets of the Grantors with respect to which a Lien is granted or purported to be granted pursuant to a Senior Collateral Document as security for any Senior Obligations.

"Senior Collateral Documents" means the Collateral Documents (as such term is defined in the Credit Agreement) in respect of the Credit Agreement Obligations and each of the collateral agreements, security agreements and other instruments and documents executed and delivered by any Grantor for purposes of providing collateral security for any Additional Senior Debt Obligations.

"Senior Debt Documents" means (a) in the case of Credit Agreement Obligations, the Credit Agreement Loan Documents, and (b) any Additional Senior Debt Documents.

"Senior Facilities" means the Credit Agreement and any Additional Senior Debt Facilities.

"Senior Lien" means the Liens on the Senior Collateral in favor of the Senior Secured Parties under the Senior Collateral Documents.

"Senior Obligations" means, collectively, the Credit Agreement Obligations and any Additional Senior Debt Obligations.

"Senior Representative" means (a) in the case of any Credit Agreement Obligations and the Credit Agreement Secured Parties, the Initial Senior Agent and (b) in the case of any Additional Senior Debt Facility and the Additional Senior Debt Parties thereunder, the trustee, administrative agent, collateral agent, security agent or similar agent under such Additional Senior Debt Facility that is named as the Representative in respect of such Additional Senior Debt Facility in the applicable Joinder Agreement.

"Senior Secured Parties" means the Credit Agreement Secured Parties and any Additional Senior Debt Parties.

"Shared Collateral" means, at any time, Collateral in which the holders of Senior Obligations under at least one Senior Facility (or their Representatives) and the holders of Second Priority Debt Obligations under at least one Second Priority Debt Facility (or their Representatives) hold a security interest at such time (or, in the case of the Senior Facilities, are deemed pursuant to Article II to hold a security interest). If, at any time, any portion of the Senior Collateral under one or more Senior Facilities does not constitute Second Priority Collateral under one or more Second Priority Debt Facilities, then such portion of such Senior Collateral shall constitute Shared Collateral only with respect to the Second Priority Debt Facilities for which it constitutes Second Priority Collateral and shall not constitute Shared Collateral for any Second Priority Debt Facility which does not have a security interest in such Collateral at such time.

"Uniform Commercial Code" or "UCC" means, unless otherwise specified, the Uniform Commercial Code as from time to time in effect in the State of New York.

SECTION 1.02. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument, other document, statute or regulation herein shall be construed as referring to such agreement, instrument, other document, statute or regulation as from time to time amended, amended and restated, supplemented or otherwise modified and, with respect to any statute or regulation, all statutory and regulatory provisions consolidating, replacing or interpreting such statute or regulation, (ii) any reference herein to any Person shall be construed to include such Person's successors and assigns, but shall not be deemed to include the subsidiaries of such Person unless express reference is made to such subsidiaries, (iii) the words "herein," "hereof" and "hereunder," and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (iv) all references herein to Articles, Sections and Annexes shall be construed to refer to Articles, Sections and Annexes of this Agreement, (v) unless otherwise expressly qualified herein, the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights and (vi) the term "or" is not exclusive.

SECTION 1.03. Impairments of Second Priority Debt Obligations. Each Second Priority Representative, on behalf of itself and each Second Priority Debt Party under its Second Priority Debt Facility, hereby agrees that solely as among the Second Priority Debt Parties, it is the intention of the Second Priority Debt Parties that the holders of Second Priority Debt Obligations under each Second Priority Debt Facility (and not the Second Priority Debt Parties under any other Second Priority Debt Facility) bear the risk of (i) any determination by a court of competent jurisdiction that (x) any of the Second Priority Debt Obligations of such Second Priority Debt Facility are unenforceable under applicable law or are subordinated to any other obligations (other than another Second Priority Debt Facility), (y) any of the Second Priority Debt Obligations of such Second Priority Debt Facility do not have an enforceable security interest in any of the Collateral securing any other Second Priority Debt Facility and/or (z) any intervening security interest exists securing any other obligations (other than another Second Priority Debt Facility) on a basis ranking prior to the security interest of such Second Priority Debt Facility but junior to the security interest of any other Second Priority Debt Facility or (ii) the existence of any Collateral for any other Second Priority Debt Facility that is not Shared Collateral (any such condition referred to in the foregoing clauses (i) or (ii) with respect to any Second Priority Debt Facility, an "Impairment" of such Second Priority Debt Facility); provided that the existence of a maximum claim with respect to any Material Real Property (as defined in the Credit Agreement) subject to a mortgage that applies to all Second Priority Debt Obligations shall not be deemed to be an Impairment of any Second Priority Debt Facility. In the event of any Impairment with respect to any Second Priority Debt Facility, the results of such Impairment shall be borne solely by the Second Priority Debt Parties under such Second Priority Debt Facility, and the rights of the Second Priority Debt Parties under such Second Priority Debt Facility (including, without limitation, the right to receive distributions in respect of such Second Priority Debt Facility pursuant to Section 4.01) set forth herein shall be modified to the extent necessary so that the effects of such Impairment are borne solely by the Second Priority Debt Parties under the Second Priority Debt Facility subject to such Impairment. Additionally, in the event the Second Priority Debt Obligations under any Second Priority Debt Facility are modified pursuant to applicable law (including, without limitation, pursuant to Section 1129 of Title 11 of the United States Code), any reference to such Second Priority Debt Obligations or the Second Priority Collateral Documents governing such Second Priority Debt Obligations shall refer to such obligations or such documents as so modified.

ARTICLE II

Priorities and Agreements with Respect to Shared Collateral

SECTION 2.01. Subordination.

(a) Notwithstanding the date, time, manner or order of filing or recordation of any document or instrument or grant, attachment or perfection of any Liens granted to any Second Priority Representative or any Second Priority Debt Parties on the Shared Collateral or of any Liens granted to any Senior Representative or any other Senior Secured Party on the Shared Collateral (or any actual or alleged defect in any of the foregoing) and notwithstanding any provision of the UCC, any applicable law, any Second Priority Debt Document or any Senior Debt Document or any defect or deficiencies in the Liens or any other circumstance whatsoever (including any non-perfection of any Lien to secure the Senior Obligations and/or the Second Priority Debt Obligations), each Second Priority Representative, on behalf of itself and each Second Priority Debt Party under its Second Priority Debt Facility, hereby agrees that (x) any Lien on the Shared Collateral securing any Senior Obligations now or hereafter held by or on behalf of any Senior Representative or any other Senior Secured Party or other agent or trustee therefor, regardless of how acquired, whether by grant, statute, operation of law, subrogation or otherwise, shall have priority over and be senior in all respects and prior to any Lien on the Shared Collateral securing any Second Priority Debt Obligations and (y) any Lien on the Shared Collateral securing any Second Priority Debt Obligations now or hereafter held by or on behalf of any Second Priority Representative, any other Second Priority Debt Parties or any other agent or trustee therefor, regardless of how acquired, whether by grant, statute, operation of law, subrogation or otherwise, shall be junior and subordinate in all respects to all Liens on the Shared Collateral securing any Senior Obligations. All Liens on the Shared Collateral securing any Senior Obligations shall be and remain senior in all respects and prior to all Liens on the Shared Collateral securing any Second Priority Debt Obligations for all purposes, whether or not such Liens securing any Senior Obligations are subordinated to any Lien securing any other obligation of the Borrower, any Grantor or any other Person or otherwise subordinated, voided, avoided, invalidated or lapsed.

(b) Notwithstanding the date, time, method, manner or order of filing or recordation of any document or instrument or grant, attachment or perfection of any Liens granted to any Second Priority Representative or any Second Priority Debt Parties on the Second Priority Collateral (or any actual or alleged defect in any of the foregoing) and notwithstanding any provision of the UCC, any applicable law or any Second Priority Debt Document or any defect or deficiencies in the Liens or any other circumstance whatsoever (including any non-perfection of any Lien to secure any Second Priority Debt Obligations) but, in each case, subject to Section 1.03, each Second Priority Representative, on behalf of itself and each Second Priority Debt Party under its Second Priority Debt Facility, hereby agrees that any Lien on Second Priority Collateral securing any Second Priority Debt Obligations now or hereafter held by or on behalf of any Second Priority Representative, any other Second Priority Debt Parties or any other agent or trustee therefor, regardless of how acquired, whether by grant, statute, operation of law, subrogation or otherwise, shall be equal in priority in all respects with any Lien on Second Priority Collateral securing any Second Priority Debt Obligations now or hereafter held by or on behalf of any Second Priority Representative, any Second Priority Debt Parties or any Second Priority Representative or other agent or trustee therefor, regardless of how acquired, whether by grant, statute, operation of law, subrogation or otherwise.

SECTION 2.02. Nature of Senior Lender Claims. Each Second Priority Representative, on behalf of itself and each Second Priority Debt Party under its Second Priority Debt Facility, acknowledges that (a) a portion of the Senior Obligations is revolving in nature and that the amount thereof that may be outstanding at any time or from time to time may be increased or reduced and prepaid or repaid and subsequently reborrowed, (b) the terms of the Senior Debt Documents and the Senior Obligations may be amended, supplemented or otherwise modified, and the Senior Obligations, or a portion thereof, may be Refinanced from time to time and (c) the aggregate amount of the Senior Obligations may be increased, in each case, without notice to or consent by the Second Priority Representatives or the Second Priority Debt Parties and without affecting the provisions hereof,

except as otherwise expressly set forth herein. The Lien priorities provided for in Section 2.01 shall not be altered or otherwise affected by any amendment, supplement or other modification, or any Refinancing, of either the Senior Obligations or the Second Priority Debt Obligations, or any portion thereof. As between the Borrower and the other Grantors and the Second Priority Debt Parties, the foregoing provisions will not limit or otherwise affect the obligations of the Borrower and the Grantors contained in any Second Priority Debt Document with respect to the incurrence of Additional Senior Debt Obligations.

SECTION 2.03. Prohibition on Contesting Liens. (a) Each of the Second Priority Representatives, for itself and on behalf of each Second Priority Debt Party under its Second Priority Debt Facility, agrees that it shall not (and hereby waives any right to) contest or support any other Person in contesting, in any proceeding (including any Insolvency or Liquidation Proceeding), (i) the validity, extent, perfection, priority or enforceability of any Lien securing any Senior Obligations held (or purported to be held) by or on behalf of any Senior Representative or any of the other Senior Secured Parties or any other agent or trustee therefor in any Senior Collateral, (ii) the relative rights and duties of the holders of the Senior Obligations and the Second Priority Debt Obligations granted and/or established in this Agreement or any other Collateral Document with respect to such Liens or (iii) the validity, extent, perfection, priority or enforceability of any Lien securing any Second Priority Debt Obligations held (or purported to be held) by or on behalf of any Second Priority Representative or any of the other Second Priority Debt Parties or any other agent or trustee therefor in any Second Priority Collateral and (b) each Senior Representative, for itself and on behalf of each Senior Secured Party under its Senior Facility, agrees that it shall not (and hereby waives any right to) contest or support any other Person in contesting, in any proceeding (including any Insolvency or Liquidation Proceeding), (i) the validity, extent, perfection, priority or enforceability of any Lien securing any Second Priority Debt Obligations held (or purported to be held) by or on behalf of any Second Priority Representative or any of the Second Priority Debt Parties or any agent or trustee therefor in any Second Priority Collateral or (ii) the relative rights and duties of the holders of the Senior Obligations and the Second Priority Debt Obligations granted and/or established in this Agreement or any other Collateral Document with respect to such Liens. Notwithstanding the foregoing, no provision in this Agreement shall be construed to prevent or impair the rights of any Senior Representative to enforce this Agreement (including the priority of the Liens securing the Senior Obligations as provided in Section 2.01) or any of the Senior Debt Documents.

SECTION 2.04. No New Liens. The parties hereto agree that, so long as the Discharge of Senior Obligations has not occurred, (a) none of the Grantors shall grant or permit any additional Liens on any asset or property of any Grantor to secure any Second Priority Debt Obligation unless it has granted, or concurrently therewith grants, a Lien on such asset or property of such Grantor to secure the Senior Obligations, and (b) if any Second Priority Representative or any Second Priority Debt Party shall hold any Lien on any assets or property of any Grantor securing any Second Priority Debt Obligations that are not also subject to the first-priority Liens securing all Senior Obligations under the Senior Collateral Documents, such Second Priority Representative or Second Priority Debt Party (i) shall notify the Designated Senior Representative promptly upon becoming aware thereof and, unless such Grantor shall promptly grant a similar Lien on such assets or property to each Senior Representative as security for the Senior Obligations, shall assign such Lien to each Senior Representative as security for all Senior Obligations for the benefit of the Senior Secured Parties (but may retain a junior lien on such assets or property subject to the terms hereof) and (ii) until such assignment or such grant of a similar Lien to each Senior Representative, shall be deemed to hold and have held such Lien for the benefit of each Senior Representative and the other Senior Secured Parties as security for the Senior Obligations. To the extent that the foregoing provisions are not complied with for any reason, without limiting any other rights and remedies available to the Designated Senior Representative and/or the Senior Secured Parties, each Second Priority Representative, on behalf of the applicable Second Priority Debt Parties, agrees that any amounts received by or distributed to any of them pursuant to or as a result of Liens granted in contravention of this Section 2.04 shall be subject to Section 4.02.

SECTION 2.05. Perfection of Liens. Except for the limited agreements of the Senior Representatives pursuant to Section 5.05 hereof, none of the Senior Representatives or the Senior Secured Parties shall be responsible for perfecting and maintaining the perfection of Liens with respect to the Shared Collateral for the benefit of the Second Priority Representatives or the Second Priority Debt Parties. The provisions of this Agreement are intended solely to govern the respective Lien priorities as between the Senior Secured Parties and the Second Priority Debt Parties and among the Second Priority Debt Parties and shall not impose on the Senior Representatives, the Senior Secured Parties, the Second Priority Representatives, the Second Priority Debt Parties or

any agent or trustee therefor any obligations in respect of the disposition of Proceeds of any Shared Collateral which would conflict with prior perfected claims therein in favor of any other Person or any order or decree of any court or governmental authority or any applicable law.

SECTION 2.06. Certain Cash Collateral. Notwithstanding anything in this Agreement or any other Senior Debt Documents or Second Priority Debt Documents to the contrary, Collateral consisting of cash and cash equivalents pledged to secure Senior Obligations consisting of reimbursement obligations in respect of Letters of Credit or otherwise held by the Initial Senior Agent pursuant to Section 2.03, 2.04 or 2.17 of the Credit Agreement (or any equivalent successor provision) shall be applied as specified in the Credit Agreement and will not constitute Shared Collateral.

ARTICLE III

Enforcement

SECTION 3.01. Exercise of Remedies.

(a) So long as the Discharge of Senior Obligations has not occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against the Borrower or any other Grantor, (i) neither any Second Priority Representative nor any Second Priority Debt Party will (x) exercise or seek to exercise any rights or remedies (including setoff or recoupment) with respect to any Shared Collateral in respect of any Second Priority Debt Obligations, or institute any action or proceeding with respect to such rights or remedies (including any action of foreclosure), (y) contest, protest or object to any foreclosure proceeding or action brought with respect to the Shared Collateral or any other Senior Collateral by any Senior Representative or any Senior Secured Party in respect of the Senior Obligations, the exercise of any right by any Senior Representative or any Senior Secured Party (or any agent or sub-agent on their behalf) in respect of the Senior Obligations under any lockbox agreement, control agreement, landlord waiver or bailee's letter or similar agreement or arrangement to which any Senior Representative or any Senior Secured Party either is a party or may have rights as a third party beneficiary, or any other exercise by any such party of any rights and remedies relating to the Shared Collateral under the Senior Debt Documents or otherwise in respect of the Senior Collateral or the Senior Obligations, or (z) object to the forbearance by the Senior Secured Parties from bringing or pursuing any foreclosure proceeding or action or any other exercise of any rights or remedies relating to the Shared Collateral in respect of Senior Obligations and (ii) except as otherwise provided herein, the Senior Representatives and the Senior Secured Parties shall have the exclusive right to enforce rights, exercise remedies (including setoff, recoupment and the right to credit bid their debt) and make determinations regarding the release, disposition or restrictions with respect to the Shared Collateral without any consultation with or the consent of any Second Priority Representative or any Second Priority Debt Party; provided, however, that (A) in any Insolvency or Liquidation Proceeding commenced by or against the Borrower or any other Grantor, any Second Priority Representative may file a claim, proof of claim, or statement of interest with respect to the Second Priority Debt Obligations under its Second Priority Debt Facility, (B) any Second Priority Representative may take any action (not adverse to the prior Liens on the Shared Collateral securing the Senior Obligations or the rights of the Senior Representatives or the Senior Secured Parties to exercise remedies in respect thereof) in order to create, prove, perfect, preserve or protect (but not enforce) its rights in, and perfection and priority of its Lien on, the Shared Collateral, (C) any Second Priority Representative and the Second Priority Debt Parties may exercise their rights and remedies as unsecured creditors, as provided in Section 5.04, and (D) from and after the Second Priority Enforcement Date, the Major Second Priority Representative may exercise or seek to exercise any rights or remedies with respect to any Shared Collateral in respect of any Second Priority Debt Obligations, or institute any action or proceeding with respect to such rights or remedies; provided, that any such action taken pursuant to any of such clauses (A) through (D) hereof must in each case be in accordance and otherwise consistent with the terms of this Agreement. In exercising rights and remedies with respect to the Senior Collateral, the Senior Representatives and the Senior Secured Parties may enforce the provisions of the Senior Debt Documents and exercise remedies thereunder, all in such order and in such manner as they may determine in the exercise of their sole discretion. Such exercise and enforcement shall include the rights of an agent appointed by them to sell or otherwise dispose of Shared Collateral upon foreclosure, to incur expenses in connection with such sale or disposition and to exercise all the rights and remedies of a secured lender under the Uniform Commercial Code of any applicable jurisdiction and of a secured creditor under Bankruptcy Laws of any applicable jurisdiction.

(b) So long as the Discharge of Senior Obligations has not occurred, each Second Priority Representative, on behalf of itself and each Second Priority Debt Party under its Second Priority Debt Facility, agrees that it will not, in the context of its role as secured creditor, take or receive any Shared Collateral or any Proceeds of Shared Collateral in connection with the exercise of any right or remedy (including setoff or recoupment) with respect to any Shared Collateral in respect of Second Priority Debt Obligations. Without limiting the generality of the foregoing, unless and until the Discharge of Senior Obligations has occurred, except as expressly provided in the proviso in clause (ii) of Section 3.01(a), the sole right of the Second Priority Representatives and the Second Priority Debt Parties with respect to the Shared Collateral is to hold a Lien on the Shared Collateral in respect of Second Priority Debt Obligations pursuant to the Second Priority Debt Documents for the period and to the extent granted therein and to receive a share of the Proceeds thereof, if any, after the Discharge of Senior Obligations has occurred.

(c) Subject to the proviso in clause (ii) of Section 3.01(a), (i) each Second Priority Representative, for itself and on behalf of each Second Priority Debt Party under its Second Priority Debt Facility, agrees that neither such Second Priority Representative nor any such Second Priority Debt Party will take any action that would hinder any exercise of remedies undertaken by any Senior Representative or any Senior Secured Party with respect to the Shared Collateral under the Senior Debt Documents, including any sale, lease, exchange, transfer or other disposition of the Shared Collateral, whether by foreclosure or otherwise, and (ii) each Second Priority Representative, for itself and on behalf of each Second Priority Debt Party under its Second Priority Debt Facility, hereby waives any and all rights it or any such Second Priority Debt Party may have as a junior lien creditor or otherwise to object to the manner in which the Senior Representatives or the Senior Secured Parties seek to enforce or collect the Senior Obligations or the Liens granted on any of the Senior Collateral, regardless of whether any action or failure to act by or on behalf of any Senior Representative or any other Senior Secured Party is adverse to the interests of the Second Priority Debt Parties.

(d) Each Second Priority Representative hereby acknowledges and agrees that no covenant, agreement or restriction contained in any Second Priority Debt Document shall be deemed to restrict in any way the rights and remedies of the Senior Representatives or the Senior Secured Parties with respect to the Senior Collateral as set forth in this Agreement and the Senior Debt Documents.

(e) Until the Discharge of Senior Obligations, the Designated Senior Representative shall have the exclusive right to exercise any right or remedy with respect to the Shared Collateral and shall have the exclusive right to determine and direct the time, method and place for exercising such right or remedy or conducting any proceeding with respect thereto. Following the Discharge of Senior Obligations, the Second Priority Instructing Group and the Designated Second Priority Representative shall have the exclusive right to exercise any right or remedy with respect to the Collateral, and the Second Priority Instructing Group and Designated Second Priority Representative shall have the exclusive right to direct the time, method and place of exercising or conducting any proceeding for the exercise of any right or remedy available to the Second Priority Debt Parties with respect to the Collateral, or of exercising or directing the exercise of any trust or power conferred on the Second Priority Representatives, or for the taking of any other action authorized by the Second Priority Collateral Documents; provided, however, that nothing in this Section shall impair the right of any Second Priority Representative or other agent or trustee acting on behalf of the Second Priority Debt Parties to take such actions with respect to the Collateral after the Discharge of Senior Obligations as may be otherwise required or authorized pursuant to any intercreditor agreement governing the Second Priority Debt Parties or the Second Priority Debt Obligations.

SECTION 3.02. Cooperation. Subject to the proviso in clause (ii) of Section 3.01(a), each Second Priority Representative, on behalf of itself and each Second Priority Debt Party under its Second Priority Debt Facility, agrees that, unless and until the Discharge of Senior Obligations has occurred, it will not commence, or join with any Person (other than the Senior Secured Parties and the Senior Representatives upon the request of the Designated Senior Representative) in commencing, any enforcement, collection, execution, levy or foreclosure action or proceeding with respect to any Lien held by it in the Shared Collateral under any of the Second Priority Debt Documents or otherwise in respect of the Second Priority Debt Obligations.

SECTION 3.03. Actions upon Breach. Should any Second Priority Representative or any Second Priority Debt Party, contrary to this Agreement, in any way take, attempt to take or threaten to take any action with

respect to the Shared Collateral (including any attempt to realize upon or enforce any remedy with respect to this Agreement) or fail to take any action required by this Agreement, any Senior Representative or other Senior Secured Party (in its or their own name or in the name of the Borrower or any other Grantor) may obtain relief against such Second Priority Representative or such Second Priority Debt Party by injunction, specific performance or other appropriate equitable relief. Each Second Priority Representative, on behalf of itself and each Second Priority Debt Party under its Second Priority Debt Facility, hereby (i) agrees that the Senior Secured Parties' damages from the actions of the Second Priority Representatives or any Second Priority Debt Party may at that time be difficult to ascertain and may be irreparable and waives any defense that the Borrower, any other Grantor or the Senior Secured Parties cannot demonstrate damage or be made whole by the awarding of damages and (ii) irrevocably waives any defense based on the adequacy of a remedy at law and any other defense that might be asserted to bar the remedy of specific performance in any action that may be brought by any Senior Representative or any other Senior Secured Party.

ARTICLE IV

Payments

SECTION 4.01. Application of Proceeds. After an event of default under any Senior Debt Document has occurred and until such event of default is cured or waived, so long as the Discharge of Senior Obligations has not occurred, the Shared Collateral or Proceeds thereof received in connection with the sale or other disposition of, or collection on, such Shared Collateral upon the exercise of remedies shall be applied by the Senior Representatives to the Senior Obligations in such order as specified in the relevant Senior Debt Documents (including the Equal Priority Intercreditor Agreement) until the Discharge of Senior Obligations has occurred. Upon the Discharge of Senior Obligations, the Designated Senior Representative shall deliver promptly to the Designated Second Priority Representative any Shared Collateral or Proceeds thereof held by it in the same form as received, with any necessary endorsements, or as a court of competent jurisdiction may otherwise direct, to be applied by the Designated Second Priority Representative to the Second Priority Debt Obligations as follows: (a) first, to the payment of all amounts owing to each Second Priority Representative (each in its capacity as such) pursuant to the terms of any Second Priority Debt Documents, (b) second, subject to Section 1.03, to the payment in full of the Second Priority Debt Obligations under each Second Priority Debt Facility on a ratable basis, with such payments to be applied to the Second Priority Debt Obligations under a Second Priority Debt Facility in accordance with the terms of the relevant Second Priority Debt Documents and (c) third, after (i) payment in full of all Second Priority Debt Obligations and (ii) the termination or expiration of all commitments to lend under any Second Priority Debt Documents, to the Borrower and the other Grantors or their successors or assigns, as their interests may appear, or to whomsoever may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct. Notwithstanding the foregoing, with respect to any Second Priority Collateral for which a third party (other than a Second Priority Debt Party) has a lien or security interest that is junior in priority to the security interest of any Second Priority Debt Facility but senior (as determined by appropriate legal proceedings in the case of any dispute) to the security interest of any other Second Priority Debt Facility (such third party, an "Intervening Creditor"), the value of any Second Priority Collateral or any Proceeds allocated to such Intervening Creditor shall be deducted on a ratable basis solely from the Second Priority Collateral or Proceeds to be distributed in respect of the Second Priority Debt Facility with respect to which such Impairment exists.

SECTION 4.02. Payments Over.

(a) Unless and until the Discharge of Senior Obligations has occurred, any Shared Collateral or Proceeds thereof received by any Second Priority Representative or any Second Priority Debt Party in connection with the exercise of any right or remedy (including setoff or recoupment) relating to the Shared Collateral in contravention of this Agreement or otherwise shall be segregated and held in trust for the benefit of and forthwith paid over to the Designated Senior Representative for the benefit of the Senior Secured Parties in the same form as received, with any necessary endorsements, or as a court of competent jurisdiction may otherwise direct. The Designated Senior Representative is hereby authorized to make any such endorsements as agent for each of the Second Priority Representatives and any such Second Priority Debt Party. This authorization is coupled with an interest and is irrevocable.

(b) After the Discharge of Senior Obligations, any Second Priority Collateral or Proceeds thereof received by any Second Priority Representative or any Second Priority Debt Party relating to the Second Priority Collateral shall be segregated and held in trust for the benefit of and forthwith paid over to the Designated Second Priority Representative for the benefit of the Second Priority Debt Parties in the same form as received, with any necessary endorsements, or as a court of competent jurisdiction may otherwise direct. The Designated Second Priority Representative is hereby authorized to make any such endorsements as agent for each of the Second Priority Representatives and any such Second Priority Debt Party. This authorization is coupled with an interest and is irrevocable.

ARTICLE V

Other Agreements

SECTION 5.01. Releases.

(a) Each Second Priority Representative, for itself and on behalf of each Second Priority Debt Party under its Second Priority Debt Facility, agrees that, in the event of a sale, transfer or other disposition of any specified item of Shared Collateral (including all or substantially all of the equity interests of any subsidiary of the Borrower), the Liens granted to the Second Priority Representatives and the Second Priority Debt Parties upon such Shared Collateral to secure Second Priority Debt Obligations shall terminate and be released, automatically and without any further action, concurrently with the termination and release of all Liens granted upon such Shared Collateral to secure Senior Obligations. Upon delivery to a Second Priority Representative of an Officer's Certificate stating that any such termination and release of Liens securing the Senior Obligations has become effective (or shall become effective concurrently with such termination and release of the Liens granted to the Second Priority Debt Parties and the Second Priority Representatives) and any necessary or proper instruments of termination or release prepared by the Borrower or any other Grantor, such Second Priority Representative will promptly execute, deliver or acknowledge, at the Borrower's or the other Grantor's sole cost and expense, such instruments to evidence such termination and release of the Liens. Nothing in this Section 5.01(a) will be deemed to affect any agreement of a Second Priority Representative, for itself and on behalf of the Second Priority Debt Parties under its Second Priority Debt Facility, to release the Liens on the Second Priority Collateral as set forth in the relevant Second Priority Debt Documents.

(b) Each Second Priority Representative, for itself and on behalf of each Second Priority Debt Party under its Second Priority Debt Facility, hereby irrevocably constitutes and appoints the Designated Senior Representative and any officer or agent of the Designated Senior Representative, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of such Second Priority Representative or such Second Priority Debt Party or in the Designated Senior Representative's own name, from time to time in the Designated Senior Representative's discretion, for the purpose of carrying out the terms of Section 5.01(a), to take any and all appropriate action and to execute any and all documents and instruments that may be necessary or desirable to accomplish the purposes of Section 5.01(a), including any termination statements, endorsements or other instruments of transfer or release.

(c) Unless and until the Discharge of Senior Obligations has occurred, each Second Priority Representative, for itself and on behalf of each Second Priority Debt Party under its Second Priority Debt Facility, hereby consents to the application, whether prior to or after an event of default under any Senior Debt Document, of proceeds of Shared Collateral to the repayment of Senior Obligations pursuant to the Senior Debt Documents, provided that nothing in this Section 5.01(c) shall be construed to prevent or impair the rights of the Second Priority Representatives or the Second Priority Debt Parties to receive proceeds in connection with the Second Priority Debt Obligations not otherwise in contravention of this Agreement.

(d) Notwithstanding anything to the contrary in any Second Priority Collateral Document, in the event the terms of a Senior Collateral Document and a Second Priority Collateral Document each require any Grantor (i) to make payment in respect of any item of Shared Collateral to, (ii) to deliver or afford control over any item of Shared Collateral to, or deposit any item of Shared Collateral with, (iii) to register ownership of any item of Shared Collateral in the name of or make an assignment of ownership of any Shared Collateral or the rights

thereunder to, (iv) cause any securities intermediary, commodity intermediary or other Person acting in a similar capacity to agree to comply, in respect of any item of Shared Collateral, with instructions or orders from, or to treat, in respect of any item of Shared Collateral, as the entitlement holder, (v) hold any item of Shared Collateral in trust for (to the extent such item of Shared Collateral cannot be held in trust for multiple parties under applicable law), (vi) obtain the agreement of a bailee or other third party to hold any item of Shared Collateral for the benefit of or subject to the control of or, in respect of any item of Shared Collateral, to follow the instructions of or (vii) obtain the agreement of a landlord with respect to access to leased premises where any item of Shared Collateral is located or waivers or subordination of rights with respect to any item of Shared Collateral in favor of, in any case, both the Designated Senior Representative and any Second Priority Representative or Second Priority Debt Party, such Grantor may, until the applicable Discharge of Senior Obligations has occurred, comply with such requirement under the Second Priority Collateral Document or Senior Collateral Document as it relates to such Shared Collateral by taking any of the actions set forth above only with respect to, or in favor of, the Designated Senior Representative.

SECTION 5.02. Insurance and Condemnation Awards. Unless and until the Discharge of Senior Obligations has occurred, the Designated Senior Representative and, after the Discharge of Senior Obligations has occurred, the Designated Second Priority Representative, shall have the sole and exclusive right, subject to the rights of the Grantors under the Senior Debt Documents or Second Priority Debt Documents, as applicable, (a) to be named as additional insured and loss payee under any insurance policies maintained from time to time by any Grantor with respect to any Shared Collateral, (b) to adjust settlement for any insurance policy covering the Shared Collateral in the event of any loss thereunder and (c) to approve any award granted in any condemnation or similar proceeding affecting the Shared Collateral. Unless and until the Discharge of Senior Obligations has occurred, all proceeds of any such policy and any such award received by the Designated Senior Representative or Designated Second Priority Representative, if in respect of the Shared Collateral, shall be paid (i) first, prior to the occurrence of the Discharge of Senior Obligations, to the Designated Senior Representative for the benefit of Senior Secured Parties pursuant to the terms of the Senior Debt Documents, (ii) second, after the occurrence of the Discharge of Senior Obligations, to the Designated Second Priority Representative for the benefit of the Second Priority Debt Parties to be applied pursuant to Section 4.01 and (iii) third, if no Second Priority Debt Obligations are outstanding, to the owner of the subject property, such other Person as may be entitled thereto or as a court of competent jurisdiction may otherwise direct. If any Second Priority Representative or any Second Priority Debt Party shall, at any time, receive any proceeds of any such insurance policy or any such award in contravention of this Agreement, it shall pay such proceeds over to the Designated Senior Representative (or after the Discharge of Senior Obligations, the Designated Second Priority Representative) to receive such amounts in accordance with the terms of Section 4.02.

SECTION 5.03. Amendments to Senior Debt Documents and Second Priority Collateral Documents

(a) Each of the Senior Debt Documents may be amended, restated, amended and restated, replaced, renewed, extended, supplemented and/or otherwise modified from time to time in accordance with their terms and the Senior Debt Documents may be replaced or Refinanced, in each case without the consent of any Second Priority Representative or any other Second Priority Debt Parties; provided, however, that the holders of such Refinancing debt (to the extent such Refinancing debt constitutes Senior Obligations) bind themselves in writing to the terms of this Agreement; provided further that no amendment, restatement, replacement, renewal, extension, supplement or modification of the Senior Debt Documents shall result in the principal amount of Senior Obligations exceeding the Maximum Senior Lien Amount.

(b) Except to the extent not prohibited by any Senior Debt Document, no Second Priority Collateral Document may be amended, supplemented or otherwise modified or entered into to the extent such amendment, supplement or modification, or the terms of any new Second Priority Collateral Document, would be prohibited by or conflict with any of the terms of this Agreement. The Borrower agrees to deliver to the Designated Senior Representative copies of (i) any amendments, supplements or other modifications to the Second Priority Collateral Documents and (ii) any new Second Priority Collateral Documents promptly after effectiveness thereof. Each Second Priority Representative, for itself and on behalf of each Second Priority Debt Party under its Second Priority Debt Facility, agrees that each Second Priority Collateral Document under its Second Priority Debt Facility

shall include the following language (or language to similar effect reasonably approved by the Designated Senior Representative):

"Notwithstanding anything herein to the contrary, (i) the liens and security interests granted to the Second Priority Representative pursuant to this Agreement are expressly subject and subordinate to the liens and security interests granted in favor of the Senior Secured Parties (as defined in the Junior Lien Intercreditor Agreement referred to below), including liens and security interests granted to [Deutsche Bank AG New York Branch], as administrative agent and collateral agent (in such capacities, the "Initial Senior Agent"), pursuant to or in connection with the Credit Agreement, dated as of June 10, 2015 (as amended, restated, amended and restated, extended, supplemented, Refinanced and/or otherwise modified from time to time), among LTF Intermediate Holdings, Inc., a Delaware corporation ("Holdings"), Life Time Fitness, Inc., a Minnesota Corporation and successor in interest to LTF Merger Sub, Inc. ("Borrower"), each lender from time to time party thereto and the Initial Senior Agent, and (ii) the exercise of any right or remedy by the Second Priority Representative hereunder is subject to the limitations and provisions of the Junior Lien Intercreditor Agreement dated as of [ ] [ ], 20[ ] (as amended, restated, amended and restated, extended, supplemented and/or otherwise modified from time to time, the "Junior Lien Intercreditor Agreement"), among the Initial Senior Agent, the Initial Second Priority Representative, Holdings, the Borrower and its subsidiaries party from time to time thereto and each additional Representative party from time to time thereto. In the event of any conflict between the terms of the Junior Lien Intercreditor Agreement and the terms of this Agreement, the terms of the Junior Lien Intercreditor Agreement shall govern."

(c) In the event that each applicable Senior Representative and/or the Senior Secured Parties enter into any amendment, waiver or consent in respect of any of the Senior Collateral Documents for the purpose of adding to or deleting from, or waiving or consenting to any departures from any provisions of, any Senior Collateral Document or changing in any manner the rights of the Senior Representatives, the Senior Secured Parties, the Borrower or any other Grantor thereunder (including the release of any Liens in Senior Collateral) in a manner that is applicable to all Senior Facilities, then such amendment, waiver or consent shall apply automatically to any comparable provision of each comparable Second Priority Collateral Document without the consent of any Second Priority Representative or any Second Priority Debt Party and without any action by any Second Priority Representative, any Second Priority Debt Party, the Borrower or any other Grantor; provided, however, that written notice of such amendment, waiver or consent shall have been given to each Second Priority Representative within 10 Business Days after the effectiveness of such amendment, waiver or consent.

SECTION 5.04. Rights as Unsecured Creditors. Notwithstanding anything to the contrary in this Agreement, the Second Priority Representatives and the Second Priority Debt Parties may exercise rights and remedies as unsecured creditors against the Borrower and any other Grantor in accordance with the terms of the Second Priority Debt Documents and applicable law so long as such rights and remedies do not violate (or are not otherwise prohibited by) any express provision of this Agreement. Nothing in this Agreement shall prohibit the receipt by any Second Priority Representative or any Second Priority Debt Party of the required payments of principal, premium, interest, fees and other amounts due under the Second Priority Debt Documents so long as such receipt is not the direct or indirect result of the exercise by a Second Priority Representative or any Second Priority Debt Party of rights or remedies as a secured creditor in respect of Shared Collateral. In the event any Second Priority Representative or any Second Priority Debt Party becomes a judgment lien creditor in respect of Shared Collateral as a result of its enforcement of its rights as an unsecured creditor in respect of Second Priority Debt Obligations, such judgment lien shall be subordinated to the Liens securing Senior Obligations on the same basis as the other Liens securing the Second Priority Debt Obligations are so subordinated to such Liens securing Senior Obligations under this Agreement. Nothing in this Agreement shall impair or otherwise adversely affect any rights or remedies the Senior Representatives or the Senior Secured Parties may have with respect to the Senior Collateral.

SECTION 5.05. Gratuitous Bailee for Perfection.

(a) Until the Discharge of Senior Obligations, the Designated Senior Representative acknowledges and agrees that if it shall at any time hold a Lien securing any Senior Obligations on any Shared Collateral that can be perfected by the possession or control of such Shared Collateral or of any account in which

such Shared Collateral is held, and if such Shared Collateral or any such account is in fact in the possession or under the control of such Senior Representative, or of agents or bailees of such Person (such Shared Collateral being referred to herein as the "Pledged or Controlled Collateral"), or if it shall at any time obtain any landlord waiver or bailee's letter or any similar agreement or arrangement granting it rights or access to Shared Collateral, the Designated Senior Representative shall also hold such Pledged or Controlled Collateral, or take such actions with respect to such landlord waiver, bailee's letter or similar agreement or arrangement, as sub-agent or gratuitous bailee for the relevant Second Priority Representatives, in each case solely for the purpose of perfecting the Liens granted under the relevant Second Priority Collateral Documents and subject to the terms and conditions of this Section 5.05.

(b) After the Discharge of Senior Obligations, the Designated Second Priority Representative acknowledges and agrees that if it shall at any time hold a Lien securing any Second Priority Debt Obligations on any Pledged or Controlled Collateral that is in fact in the possession or under the control of such Second Priority Representative, or of agents or bailees of such Person, or if it shall at any time obtain any landlord waiver or bailee's letter or any similar agreement or arrangement granting it rights or access to Shared Collateral, the Designated Second Priority Representative shall also hold such Pledged or Controlled Collateral, or take such actions with respect to such landlord waiver, bailee's letter or similar agreement or arrangement, as sub-agent or gratuitous bailee for the relevant Second Priority Representatives, in each case solely for the purpose of perfecting the Liens granted under the relevant Second Priority Collateral Documents and subject to the terms and conditions of this Section 5.05.

(c) In the event that any Secured Party receives any Pledged or Controlled Collateral, then such Secured Party shall promptly deliver such Collateral or Proceeds, together with any necessary endorsements and notices to depositary banks, securities intermediaries and commodities intermediaries, to: (i) until the Discharge of Senior Obligations, the Designated Senior Representative and (ii) thereafter, the Designated Second Priority Representative.

(d) In the event that any Senior Representative (or its agents or bailees), or after the Discharge of Senior Obligations, the Designated Second Priority Representative, has Lien filings against Intellectual Property (as defined in the Security Agreement) that is part of the Shared Collateral that are necessary for the perfection of Liens in such Shared Collateral, the Designated Senior Representative, or after the Discharge of Senior Obligations, the Designated Second Priority Representative, agrees to hold such Liens as sub-agent and gratuitous bailee for the relevant Second Priority Representatives and any assignee thereof, solely for the purpose of perfecting the security interest granted in such Liens pursuant to the relevant Second Priority Collateral Documents, subject to the terms and conditions of this Section 5.05.

(e) Except as otherwise specifically provided herein, until the Discharge of Senior Obligations has occurred, the Senior Representatives and the Senior Secured Parties shall be entitled to deal with the Pledged or Controlled Collateral in accordance with the terms of the Senior Debt Documents as if the Liens under the Second Priority Collateral Documents did not exist. The rights of the Second Priority Representatives and the Second Priority Debt Parties with respect to the Pledged or Controlled Collateral shall at all times be subject to the terms of this Agreement.

(f) The Senior Representatives and the Senior Secured Parties shall have no obligation whatsoever to the Second Priority Representatives or any Second Priority Debt Party to assure that any of the Pledged or Controlled Collateral is genuine or owned by the Grantors or to protect or preserve rights or benefits of any Person or any rights pertaining to the Shared Collateral, except as expressly set forth in this Section 5.05. The duties or responsibilities of the Designated Senior Representative (and after the Discharge of Senior Obligations, the Designated Second Priority Representative) under this Section 5.05 shall be limited solely to holding or controlling the Pledged or Controlled Collateral and the related Liens referred to in paragraphs (a) and (b) of this Section 5.05 as sub-agent and gratuitous bailee for the relevant Second Priority Representative for purposes of perfecting the Lien held by such Second Priority Representative.

(g) The Designated Senior Representative (and after the Discharge of Senior Obligations, the Designated Second Priority Representative) shall not have by reason of the Second Priority Collateral Documents or

this Agreement, or any other document, a fiduciary relationship in respect of any Second Priority Representative or any Second Priority Debt Party, and each Second Priority Representative, for itself and on behalf of each Second Priority Debt Party under its Second Priority Debt Facility, hereby waives and releases the Designated Senior Representative (and after the Discharge of Senior Obligations, the Designated Second Priority Representative) from all claims and liabilities arising pursuant to the Designated Senior Representative's role (and after the Discharge of Senior Obligations, the Designated Second Priority Representative's role) under this Section 5.05 as a sub-agent and gratuitous bailee with respect to the Pledged or Controlled Collateral.

(h) Upon the Discharge of Senior Obligations, the Designated Senior Representative shall, at the Grantors' sole cost and expense, (i) (A) deliver to the Designated Second Priority Representative, to the extent that it is legally permitted to do so, all Shared Collateral, including all proceeds thereof, held or controlled by the Designated Senior Representative or any of its agents or bailees, including the transfer of possession and control, as applicable, of the Pledged or Controlled Collateral, together with any necessary endorsements and notices to depositary banks, securities intermediaries and commodities intermediaries, and assign its rights under any landlord waiver or bailee's letter or any similar agreement or arrangement granting it rights or access to Shared Collateral, or (B) direct and deliver such Shared Collateral as a court of competent jurisdiction may otherwise direct, (ii) notify any applicable insurance carrier that it is no longer entitled to be a loss payee or additional insured under the insurance policies of any Grantor issued by such insurance carrier and (iii) notify any governmental authority involved in any condemnation or similar proceeding involving any Grantor that the Designated Second Priority Representative is entitled to approve any awards granted in such proceeding. The Borrower and the other Grantors shall take such further action as is required to effectuate the transfer contemplated hereby and shall indemnify the Designated Senior Representative for loss or damage suffered by the Designated Senior Representative as a result of such transfer, except for loss or damage suffered by any such Person as a result of the willful misconduct, gross negligence, bad faith of, or material breach of this Agreement by, such Person or any affiliate, director, officer, employee, agent or attorney-in-fact of such Person as determined by a final,non-appealable judgment of a court of competent jurisdiction. The Senior Representatives have no obligations to follow instructions from any Second Priority Representative or any other Second Priority Debt Party in contravention of this Agreement.

(i) None of the Senior Representatives nor any of the other Senior Secured Parties shall be required to marshal any present or future collateral security for any obligations of the Borrower or any other Grantor to any Senior Representative or any Senior Secured Party under the Senior Debt Documents or any assurance of payment in respect thereof, or to resort to such collateral security or other assurances of payment in any particular order, and all of their rights in respect of such collateral security or any assurance of payment in respect thereof shall be cumulative and in addition to all other rights, however existing or arising.

SECTION 5.06. When Discharge of Senior Obligations is Deemed Not to Have Occurred If, at any time concurrently with or after the Discharge of Senior Obligations has occurred, the Borrower or any Subsidiaries enter into any Refinancing of Senior Obligations or otherwise incur any Senior Obligations (other than in respect of the payment of indemnities surviving the Discharge of Senior Obligations), then such Discharge of Senior Obligations shall automatically be deemed not to have occurred for all purposes of this Agreement (other than with respect to any actions taken prior to the date of such designation as a result of the occurrence of such first Discharge of Senior Obligations) and the applicable agreement governing such Senior Obligations shall automatically be treated as a Senior Debt Document for all purposes of this Agreement, including for purposes of the Lien priorities and rights in respect of Shared Collateral set forth herein and the agent, representative or trustee for the holders of such Senior Obligations shall be a Senior Representative for all purposes of this Agreement. Upon receipt of notice of such incurrence (including the identity of the new Senior Representative), each Second Priority Representative (including the Designated Second Priority Representative) shall promptly (a) enter into such documents and agreements (at the expense of the Borrower), including amendments or supplements to this Agreement, as the Borrower or such new Senior Representative shall reasonably request in writing in order to provide the new Senior Representative the rights of a Senior Representative contemplated hereby, (b) deliver to such Senior Representative, to the extent that it is legally permitted to do so, all Shared Collateral, including all proceeds thereof, held or controlled by such Second Priority Representative or any of its agents or bailees, including the transfer of possession and control, as applicable, of the Pledged or Controlled Collateral, together with any necessary endorsements and notices to depositary banks, securities intermediaries and commodities intermediaries, and assign its rights under any landlord waiver or bailee's letter or any similar agreement or arrangement granting it

rights or access to Shared Collateral, (c) notify any applicable insurance carrier that it is no longer entitled to be a loss payee or additional insured under the insurance policies of any Grantor issued by such insurance carrier and (d) notify any governmental authority involved in any condemnation or similar proceeding involving a Grantor that the new Senior Representative is entitled to approve any awards granted in such proceeding.

ARTICLE VI

Insolvency or Liquidation Proceedings

SECTION 6.01. Financing Issues. Until the Discharge of Senior Obligations has occurred, if the Borrower or any other Grantor shall be subject to any Insolvency or Liquidation Proceeding and any Senior Representative or any Senior Secured Party shall desire to consent (or does not object) to the sale, use or lease of cash or other collateral that constitutes Shared Collateral or to consent (or does not object) to the Borrower's or any other Grantor's obtaining financing under Section 363 or Section 364 of Title 11 of the United States Code or any similar provision of any other Bankruptcy Law to be secured by the Shared Collateral ("DIP Financing") then each Second Priority Representative, for itself and on behalf of each Second Priority Debt Party under its Second Priority Debt Facility, agrees that it will raise no (a) objection to and will not otherwise contest or oppose (or join with or support any other party opposing, objecting to or contesting) such sale, use or lease of such cash or other collateral or such DIP Financing and, except to the extent permitted by the proviso in clause (ii) of Section 3.01(a) and Section 6.03, will not request adequate protection or any other relief in connection therewith and, to the extent the Liens securing any Senior Obligations are subordinated or pari passu with such DIP Financing, will subordinate (and will be deemed hereunder to have subordinated) its Liens in the Shared Collateral to (x) such DIP Financing (and all obligations relating thereto) on the same basis as the Liens securing the Second Priority Debt Obligations are so subordinated to Liens securing Senior Obligations under this Agreement, (y) any adequate protection Liens granted to the Senior Secured Parties, and (z) to any "carve-out" for professional and United States Trustee fees agreed to by the Senior Representatives, (b) objection to and will not otherwise contest or oppose (or join with or support any other party opposing, objecting to or contesting) any motion for relief from the automatic stay or from any injunction against foreclosure or enforcement in respect of Senior Obligations made by any Senior Representative or any other Senior Secured Party, (c) objection to and will not otherwise contest or oppose (or join with or support any other party opposing, objecting to or contesting) any exercise by any Senior Secured Party of the right to credit bid Senior Obligations at any sale in foreclosure of Senior Collateral or otherwise pursuant to Section 363(k) of Title 11 of the United States Code, (d) objection to and will not otherwise contest or oppose (or join with or support any other party opposing, objecting to or contesting) any other request for judicial relief made in any court by any Senior Secured Party relating to the lawful enforcement of any Lien on Senior Collateral or (e) objection to and will not otherwise contest or oppose (or join with or support any other party opposing, objecting to or contesting) any order relating to a sale or other disposition of assets of any Grantor for or to which any Senior Representative has consented or not objected that provides, to the extent such sale or other disposition is to be free and clear of Liens, that the Liens securing the Senior Obligations and the Second Priority Debt Obligations will attach to the proceeds of the sale on the same basis of priority as the Liens on the Shared Collateral securing the Senior Obligations rank to the Liens on the Shared Collateral securing the Second Priority Debt Obligations pursuant to this Agreement, provided that the applicable Second Priority Debt Parties may assert any objection to a sale or disposition that could be asserted by an unsecured creditor in any Insolvency or Liquidation Proceedings; without limiting the foregoing, each Second Priority Representative, for itself and on behalf of the applicable Second Priority Debt Parties, agrees that it may not raise any objections based on rights afforded by Sections 363(e) and (f) of Title 11 of the United States Code to secured creditors (or any comparable provisions of any other Bankruptcy Law) with respect to the Liens granted to such person in respect of such assets. In addition the Second Priority Debt Parties are not deemed to have waived any rights to credit bid on the Shared Collateral in any such sale or disposition in accordance with Section 363(k) of Title 11 of the United States Code (or similar provision under any applicable Bankruptcy Law) so long as any such credit bid provides for the payment in full in cash of the Senior Obligations. Each Second Priority Representative, for itself and on behalf of each Second Priority Debt Party under its Second Priority Debt Facility, agrees that notice received two Business Days prior to the entry of an order approving such usage of cash or other collateral or approving such DIP Financing shall be adequate notice.

SECTION 6.02. Relief from the Automatic Stay. Until the Discharge of Senior Obligations has occurred, each Second Priority Representative, for itself and on behalf of each Second Priority Debt Party under its

Second Priority Debt Facility, agrees that none of them shall (i) seek relief from the automatic stay or any other stay in any Insolvency or Liquidation Proceeding or take any action in derogation thereof, in each case in respect of any Shared Collateral, without the prior written consent of the Designated Senior Representative, or (ii) object to, contest, or support any other Person objecting to or contesting, any motion, relief, action, or proceeding by any Senior Representative or any other Senior Secured Parties seeking relief from the automatic stay or any other stay in any Insolvency or Liquidation Proceeding in respect of any Shared Collateral.

SECTION 6.03. Adequate Protection. Each Second Priority Representative, for itself and on behalf of each Second Priority Debt Party under its Second Priority Debt Facility, agrees that none of them shall object to, contest or support any other Person objecting to or contesting, (a) any request by any Senior Representative or any Senior Secured Parties for adequate protection in any form, (b) any objection by any Senior Representative or any Senior Secured Parties to any motion, relief, action or proceeding based on any Senior Representative's or Senior Secured Party's claiming a lack of adequate protection or (c) the allowance and payment of interest, fees, expenses or other amounts of any Senior Representative or any other Senior Secured Party under Section 506(b) or 506(c) of Title 11 of the United States Code or any similar provision of any other Bankruptcy Law or as adequate protection. Notwithstanding anything contained in this Section 6.03 or in Section 6.01, in any Insolvency or Liquidation Proceeding, (i) if the Senior Secured Parties (or any subset thereof) are granted adequate protection in the form of a Lien on additional or replacement collateral and/or a superpriority administrative claim in connection with any DIP Financing or use of cash collateral under Section 363 or 364 of Title 11 of the United States Code or any similar provision of any other Bankruptcy Law and the Senior Representatives and the other Senior Secured Parties do not object to the adequate protection being provided to the Senior Secured Parties, then each Second Priority Representative, for itself and on behalf of each Second Priority Debt Party under its Second Priority Debt Facility, may seek or request adequate protection in the form of a Lien on such additional or replacement collateral and/or a superpriority administrative claim (as applicable), which Lien and/or superpriority administrative claim is subordinated to the Liens securing, and claims with respect to, all Senior Obligations and such DIP Financing (and all obligations relating thereto) on the same basis as the other Liens securing, and claims with respect to, the Second Priority Debt Obligations are so subordinated to the Liens securing Senior Obligations under this Agreement and (ii) in the event any Second Priority Representatives, for themselves and on behalf of the Second Priority Debt Parties under their Second Priority Debt Facilities, seek or request adequate protection and such adequate protection is granted (in each instance, to the extent such grant is otherwise permissible under the terms and conditions of this Agreement) in the form a Lien on additional or replacement collateral and/or a superpriority administrative claim (as applicable), then such Second Priority Representatives, for themselves and on behalf of each Second Priority Debt Party under their Second Priority Debt Facilities, agree that each Senior Representative shall also be granted a senior Lien on such additional or replacement collateral as security for the Senior Obligations and any such DIP Financing provided thereby and/or a superpriority administrative claim (as applicable), and that any Lien on such additional or replacement collateral securing the Second Priority Debt Obligations and/or superpriority administrative claim (as applicable) shall be subordinated to the Liens on such collateral securing, and claims with respect to, the Senior Obligations and any such DIP Financing (and all obligations relating thereto) and any other Liens granted to the Senior Secured Parties as adequate protection on the same basis as the other Liens securing, and claims with respect to, the Second Priority Debt Obligations are so subordinated to such Liens securing and claims with respect to Senior Obligations under this Agreement. Without limiting the generality of the foregoing, to the extent that the Senior Secured Parties are granted adequate protection in the form of payments in the amount of current post-petition fees, expenses, and/or other cash payments, then the Second Priority Representative and the Second Priority Debt Parties shall not be prohibited from seeking and accepting adequate protection in the form of payments in the amount of current incurred fees and expenses and/or other cash payments (as applicable), subject to the right of the Senior Secured Parties to object to the reasonableness of the amounts of fees and expenses or other cash payments so sought by the Second Priority Debt Parties.

SECTION 6.04. Preference Issues. If any Senior Secured Party is required in any Insolvency or Liquidation Proceeding or otherwise to disgorge, turn over or otherwise pay any amount to the estate of the Borrower or any other Grantor (or any trustee, receiver or similar Person therefor), because the payment of such amount was declared to be fraudulent or preferential in any respect or for any other reason (any such amount, a "Recovery"), whether received as proceeds of security, enforcement of any right of setoff or otherwise, then the Senior Obligations shall be reinstated to the extent of such Recovery and deemed to be outstanding as if such payment had not occurred and the Senior Secured Parties shall be entitled to the benefits of this Agreement until a

Discharge of Senior Obligations with respect to all such recovered amounts. If this Agreement shall have been terminated prior to such Recovery, this Agreement shall be reinstated in full force and effect, and such prior termination shall not diminish, release, discharge, impair or otherwise affect the obligations of the parties hereto. Each Second Priority Representative, for itself and on behalf of each Second Priority Debt Party under its Second Priority Debt Facility, hereby agrees that none of them shall be entitled to benefit from any avoidance action affecting or otherwise relating to any distribution or allocation made in accordance with this Agreement, whether by preference or otherwise, it being understood and agreed that the benefit of such avoidance action otherwise allocable to them shall instead be allocated and turned over for application in accordance with the priorities set forth in this Agreement.

SECTION 6.05. Separate Grants of Security and Separate Classifications. Each Second Priority Representative, for itself and on behalf of each Second Priority Debt Party under its Second Priority Debt Facility, acknowledges and agrees that (a) the grants of Liens pursuant to the Senior Collateral Documents and the Second Priority Collateral Documents constitute separate and distinct grants of Liens and (b) because of, among other things, their differing rights in the Shared Collateral, the Second Priority Debt Obligations are fundamentally different from the Senior Obligations and must be separately classified in any plan of reorganization proposed or adopted in an Insolvency or Liquidation Proceeding. To further effectuate the intent of the parties as provided in the immediately preceding sentence, if it is held that any claims of the Senior Secured Parties and the Second Priority Debt Parties in respect of the Shared Collateral constitute a single class of claims (rather than separate classes of senior and junior secured claims), then each Second Priority Representative, for itself and on behalf of each Second Priority Debt Party under its Second Priority Debt Facility, hereby acknowledges and agrees that all distributions from the Shared Collateral shall be made as if there were separate classes of senior and junior secured claims against the Grantors in respect of the Shared Collateral (with the effect being that, to the extent that the aggregate value of the Shared Collateral is sufficient (for this purpose ignoring all claims held by the Second Priority Debt Parties), the Senior Secured Parties shall be entitled to receive, in addition to amounts distributed to them in respect of principal, pre-petition interest and other claims, all amounts owing in respect of post-petition interest (whether or not allowed or allowable in such Insolvency or Liquidation Proceeding under applicable Bankruptcy Law) before any distribution from the Shared Collateral is made in respect of the Second Priority Debt Obligations, with each Second Priority Representative, for itself and on behalf of each Second Priority Debt Party under its Second Priority Debt Facility, hereby acknowledging and agreeing to turn over to the Designated Senior Representative amounts otherwise received or receivable by them from the Shared Collateral to the extent necessary to effectuate the intent of this sentence, even if such turnover has the effect of reducing the claim or recovery of the Second Priority Debt Parties.

SECTION 6.06. No Waivers of Rights of Senior Secured Parties. Nothing contained herein shall, except as expressly provided herein, prohibit or in any way limit any Senior Representative or any other Senior Secured Party from objecting in any Insolvency or Liquidation Proceeding or otherwise to any action taken by any Second Priority Debt Party, including the seeking by any Second Priority Debt Party of adequate protection or the asserting by any Second Priority Debt Party of any of its rights and remedies under the Second Priority Debt Documents or otherwise.

SECTION 6.07. Application. This Agreement, which the parties hereto expressly acknowledge is a "subordination agreement" under Section 510(a) of Title 11 of the United States Code or any similar provision of any other Bankruptcy Law, shall be effective before, during and after the commencement of any Insolvency or Liquidation Proceeding. The relative rights as to the Shared Collateral and proceeds thereof shall continue after the commencement of any Insolvency or Liquidation Proceeding on the same basis as prior to the date of the petition therefor, subject to any court order approving the financing of, or use of cash collateral by, any Grantor. All references herein to any Grantor shall include such Grantor as a debtor-in-possession and any receiver or trustee for such Grantor.

SECTION 6.08. Other Matters. To the extent that any Second Priority Representative or any Second Priority Debt Party has or acquires rights under Section 363 or Section 364 of Title 11 of the United States Code or any similar provision of any other Bankruptcy Law with respect to any of the Shared Collateral, such Second Priority Representative, on behalf of itself and each Second Priority Debt Party under its Second Priority Debt Facility, or such Second Priority Debt Party, agrees not to assert any such rights without the prior written

consent of each Senior Representative, provided that if requested by any Senior Representative, such Second Priority Representative shall timely exercise such rights in the manner requested by the Senior Representatives (acting unanimously), including any rights to payments in respect of such rights.

SECTION 6.09. Section 506(c) Claims. Until the Discharge of Senior Obligations has occurred, each Second Priority Representative, on behalf of itself and each Second Priority Debt Party under its Second Priority Debt Facility, agrees that it will not assert or enforce any claim under Section 506(c) of Title 11 of the United States Code or any similar provision of any other Bankruptcy Law senior to or on a parity with the Liens securing the Senior Obligations for costs or expenses of preserving or disposing of any Shared Collateral.

SECTION 6.10. Reorganization Securities. If, in any Insolvency or Liquidation Proceeding, debt obligations of the reorganized debtor secured by Liens upon any property of the reorganized debtor are distributed, pursuant to a plan of reorganization or similar dispositive restructuring plan, on account of both the Senior Obligations and the Second Priority Debt Obligations, then, to the extent the debt obligations distributed on account of the Senior Obligations and on account of the Second Priority Debt Obligations are secured by Liens upon the same assets or property, the provisions of this Agreement will survive the distribution of such debt obligations pursuant to such plan and will apply with like effect to the Liens securing such debt obligations.

SECTION 6.11. Post-Petition Interest.

(a) None of the Second Priority Representative or any other Second Priority Debt Party shall oppose or seek to challenge any claim by the Senior Representative or any other Senior Secured Party for allowance in any Insolvency or Liquidation Proceeding of Senior Obligations consisting of post-petition interest under Section 506(b) of Title 11 of the United States Code or otherwise.

(b) None of the Senior Representative or any other Senior Secured Party shall oppose or seek to challenge any claim by the Second Priority Representative or any other Second Priority Debt Party for allowance in any Insolvency or Liquidation Proceeding of Second Priority Debt Obligations consisting of post-petition interest under Section 506(b) of Title 11 of the United States Code or otherwise, to the extent of the value of the Lien of the Second Priority Representative on behalf of the Second Priority Debt Parties on the Shared Collateral (after taking into account the Senior Obligations).

SECTION 6.12. Section 1111(b) Claims. Each Second Priority Representative, on behalf of itself and each other Second Priority Debt Party under its Second Priority Debt Facility, hereby waives any claim such Second Priority Representative and such Second Priority Debt Party may now or hereafter have against any Senior Representative or any other Senior Secured Parties arising out of any election by such Senior Representative or such other Senior Secured Parties (or any of their respective agents), in any Insolvency or Liquidation Proceeding of the application of Section 1111(b) of Title 11 of the United States Code thereby with respect to the Shared Collateral.

ARTICLE VII

Reliance; etc.

SECTION 7.01. Reliance. The consent by the Senior Secured Parties to the execution and delivery of the Second Priority Debt Documents to which the Senior Secured Parties have consented and all loans and other extensions of credit made or deemed made on and after the date hereof by the Senior Secured Parties to the Borrower or any Subsidiary shall be deemed to have been given and made in reliance upon this Agreement. Each Second Priority Representative, on behalf of itself and each Second Priority Debt Party under its Second Priority Debt Facility, acknowledges that it and such Second Priority Debt Parties have, independently and without reliance on any Senior Representative or other Senior Secured Party, and based on documents and information deemed by them appropriate, made their own credit analysis and decision to enter into the Second Priority Debt Documents to which they are party or by which they are bound, this Agreement and the transactions contemplated hereby and thereby, and they will continue to make their own credit decisions in taking or not taking any action under the Second Priority Debt Documents or this Agreement.

SECTION 7.02. No Warranties or Liability. Each Second Priority Representative, on behalf of itself and each Second Priority Debt Party under its Second Priority Debt Facility, acknowledges and agrees that neither any Senior Representative nor any other Senior Secured Party has made any express or implied representation or warranty, including with respect to the execution, validity, legality, completeness, collectibility or enforceability of any of the Senior Debt Documents, the ownership of any Shared Collateral or the perfection or priority of any Liens thereon. The Senior Secured Parties will be entitled to manage and supervise their respective loans and extensions of credit under the Senior Debt Documents in accordance with law and as they may otherwise, in their sole discretion, deem appropriate, and the Senior Secured Parties may manage their loans and extensions of credit without regard to any rights or interests that the Second Priority Representatives and the Second Priority Debt Parties have in the Shared Collateral or otherwise, except as otherwise provided in this Agreement. Neither any Senior Representative nor any other Senior Secured Party shall have any duty to any Second Priority Representative or Second Priority Debt Party to act or refrain from acting in a manner that allows, or results in, the occurrence or continuance of an event of default or default under any agreement with the Borrower or any other Subsidiary (including the Second Priority Debt Documents), regardless of any knowledge thereof that they may have or be charged with. Except as expressly set forth in this Agreement, the Senior Representatives, the Senior Secured Parties, the Second Priority Representatives and the Second Priority Debt Parties have not otherwise made to each other, nor do they hereby make to each other, any warranties, express or implied, nor do they assume any liability to each other with respect to (a) the enforceability, validity, value or collectibility of any of the Senior Obligations, the Second Priority Debt Obligations or any guarantee or security which may have been granted to any of them in connection therewith, (b) any Grantor's title to or right to transfer any of the Shared Collateral or (c) any other matter except as expressly set forth in this Agreement.

SECTION 7.03. Obligations Unconditional. All rights, interests, agreements and obligations of the Senior Representatives, the Senior Secured Parties, the Second Priority Representatives and the Second Priority Debt Parties hereunder shall remain in full force and effect irrespective of:

(a) any lack of validity or enforceability of any Senior Debt Document or any Second Priority Debt Document;

(b) any change in the time, manner or place of payment of, or in any other terms of, all or any of the Senior Obligations or Second Priority Debt Obligations, or any amendment or waiver or other modification, including any increase in the amount thereof, whether by course of conduct or otherwise, of the terms of the Senior Credit Agreement or any other Senior Debt Document or of the terms of any Second Priority Debt Document;

(c) any exchange of any security interest in any Shared Collateral or any other collateral or any amendment, waiver or other modification, whether in writing or by course of conduct or otherwise, of all or any of the Senior Obligations or Second Priority Debt Obligations or any guarantee thereof;

(d) the commencement of any Insolvency or Liquidation Proceeding in respect of the Borrower or any other Grantor; or

(e) any other circumstances that otherwise might constitute a defense available to, or a discharge of, (i) the Borrower or any other Grantor in respect of the Senior Obligations (other than the Discharge of Senior Obligations subject to Sections 5.06 and 6.04) or (ii) any Second Priority Representative or other Second Priority Debt Party in respect of this Agreement.

ARTICLE VIII

Miscellaneous

SECTION 8.01. Conflicts. Subject to Section 8.18, in the event of any conflict between the provisions of this Agreement and the provisions of any Senior Debt Document or any Second Priority Debt Document, the provisions of this Agreement shall govern. Notwithstanding the foregoing, the relative rights and obligations of the Senior Representatives and the Senior Secured Parties (as amongst themselves) with respect to

any Senior Collateral shall be governed by the terms of the Equal Priority Intercreditor Agreement and in the event of any conflict between the Equal Priority Intercreditor Agreement and this Agreement, the provisions of the Equal Priority Intercreditor Agreement shall control, subject to Section 8.23 hereto.

SECTION 8.02. Continuing Nature of this Agreement; Severability. Subject to Section 6.04, this Agreement shall continue to be effective until the Discharge of Senior Obligations shall have occurred. This is a continuing agreement of Lien subordination, and the Senior Secured Parties may continue, at any time and without notice to the Second Priority Representatives or any Second Priority Debt Party, to extend credit and other financial accommodations and lend monies to or for the benefit of the Borrower or any Subsidiary constituting Senior Obligations in reliance hereon. The terms of this Agreement shall survive and continue in full force and effect in any Insolvency or Liquidation Proceeding. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall not invalidate the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 8.03. Amendments; Waivers.

(a) No failure or delay on the part of any party hereto in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the parties hereto are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by any party therefrom shall in any event be effective unless the same shall be permitted by Section 8.03(b), and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice or demand on any party hereto in any case shall entitle such party to any other or further notice or demand in similar or other circumstances.

(b) This Agreement may be amended in writing signed by each Representative (in each case, acting in accordance with the documents governing the applicable Debt Facility); provided that any such amendment, supplement or waiver which by the terms of this Agreement requires the Borrower's consent or which increases the obligations or reduces the rights of, imposes additional duties on, or otherwise adversely affects the Borrower or any Grantor, shall require the consent of the Borrower. Any such amendment, supplement or waiver shall be in writing and shall be binding upon the Senior Secured Parties and the Second Priority Debt Parties and their respective successors and assigns.

(c) Notwithstanding the foregoing, without the consent of any Secured Party, any Representative may become a party hereto by execution and delivery of a Joinder Agreement in accordance with Section 8.09, and upon such execution and delivery, such Representative and the Secured Parties and Senior Obligations or Second Priority Debt Obligations of the Debt Facility for which such Representative is acting shall be subject to the terms hereof.

SECTION 8.04. Information Concerning the Financial Condition of the Borrower and the Subsidiaries. The Senior Representatives, the Senior Secured Parties, the Second Priority Representatives and the Second Priority Debt Parties shall each be responsible for keeping themselves informed of (a) the financial condition of the Borrower and the Subsidiaries and all endorsers or guarantors of the Senior Obligations or the Second Priority Debt Obligations and (b) all other circumstances bearing upon the risk of nonpayment of the Senior Obligations or the Second Priority Debt Obligations. The Senior Representatives, the Senior Secured Parties, the Second Priority Representatives and the Second Priority Debt Parties shall have no duty to advise any other party hereunder of information known to it or them regarding such condition or any such circumstances or otherwise. In the event that any Senior Representative, any Senior Secured Party, any Second Priority Representative or any Second Priority Debt Party, in its sole discretion, undertakes at any time or from time to time to provide any such information to any other party, it shall be under no obligation to (i) make, and the Senior Representatives, the Senior Secured Parties, the Second Priority Representatives and the Second Priority Debt Parties shall not make or be deemed to have made,

any express or implied representation or warranty, including with respect to the accuracy, completeness, truthfulness or validity of any such information so provided, (ii) provide any additional information or to provide any such information on any subsequent occasion, (iii) undertake any investigation or (iv) disclose any information that, pursuant to accepted or reasonable commercial finance practices, such party wishes to maintain confidential or is otherwise required to maintain confidential.

SECTION 8.05. Subrogation. Each Second Priority Representative, on behalf of itself and each Second Priority Debt Party under its Second Priority Debt Facility, hereby waives any rights of subrogation it may acquire as a result of any payment hereunder until the Discharge of Senior Obligations has occurred.

SECTION 8.06. Application of Payments. Except as otherwise provided herein, all payments received by the Senior Secured Parties may be applied, reversed and reapplied, in whole or in part, to such part of the Senior Obligations as the Senior Secured Parties, in their sole discretion, deem appropriate, consistent with the terms of the Senior Debt Documents. Except as otherwise provided herein, each Second Priority Representative, on behalf of itself and each Second Priority Debt Party under its Second Priority Debt Facility, assents to any such extension or postponement of the time of payment of the Senior Obligations or any part thereof and to any other indulgence with respect thereto, to any substitution, exchange or release of any security that may at any time secure any part of the Senior Obligations and to the addition or release of any other Person primarily or secondarily liable therefor.

SECTION 8.07. Additional Grantors. The Borrower agrees that, if any Subsidiary shall become a Grantor after the date hereof, it will promptly cause such Subsidiary to become party hereto by executing and delivering an instrument in the form of Annex II. Upon such execution and delivery, such Subsidiary will become a Grantor hereunder with the same force and effect as if originally named as a Grantor herein. The execution and delivery of such instrument shall not require the consent of any other party hereunder, and will be acknowledged by the Designated Second Priority Representative and the Designated Senior Representative. The rights and obligations of each Grantor hereunder shall remain in full force and effect notwithstanding the addition of any new Grantor as a party to this Agreement.

SECTION 8.08. Dealings with Grantors. Upon any application or demand by the Borrower or any Grantor to any Representative to take or permit any action under any of the provisions of this Agreement or under any Collateral Document (if such action is subject to the provisions hereof), at the request of such Representative, the Borrower or such Grantor, as appropriate, shall furnish to such Representative a certificate of an authorized officer (an "Officer's Certificate") stating that all conditions precedent, if any, provided for in this Agreement or such Collateral Document, as the case may be, relating to the proposed action have been complied with, except that in the case of any such application or demand as to which the furnishing of a certificate or opinion is specifically required by any provision of this Agreement or any Collateral Document relating to such particular application or demand, no such additional certificate or opinion need be furnished.

SECTION 8.09. Additional Debt Facilities. To the extent, but only to the extent, permitted by the provisions of the then existing Senior Debt Documents and the Second Priority Debt Documents, the Borrower may incur or issue and sell one or more series or classes of Second Priority Debt and one or more series or classes of Additional Senior Debt. Any such additional class or series of Second Priority Debt (the "Second Priority Class Debt") may be secured by a second priority, subordinated Lien on Shared Collateral, in each case under and pursuant to the relevant Second Priority Collateral Documents for such Second Priority Class Debt, if and subject to the condition that the Representative of any such Second Priority Class Debt (each, a "Second Priority Class Debt Representative"), acting on behalf of the holders of such Second Priority Class Debt (such Representative and holders in respect of any Second Priority Class Debt being referred to as the "Second Priority Class Debt Parties"), becomes a party to this Agreement by satisfying conditions (i) through (iii), as applicable, of the immediately succeeding paragraph. Any such additional class or series of Senior Facilities (the "Senior Class Debt"; and the Senior Class Debt and Second Priority Class Debt, collectively, the "Class Debt") may be secured by a senior Lien on Shared Collateral, in each case under and pursuant to the Senior Collateral Documents, if and subject to the condition that the Representative of any such Senior Class Debt (each, a "Senior Class Debt Representative"; and the Senior Class Debt Representatives and Second Priority Class Debt Representatives, collectively, the "Class Debt Representatives"), acting on behalf of the holders of such Senior Class Debt (such Representative and holders in

respect of any such Senior Class Debt being referred to as the "Senior Class Debt Parties; and the Senior Class Debt Parties and Second Priority Class Debt Parties, collectively, the "Class Debt Parties"), becomes a party to this Agreement by satisfying the conditions set forth in clauses (i) through (iii), as applicable, of the immediately succeeding paragraph.

In order for a Class Debt Representative to become a party to this Agreement:

(i) such Class Debt Representative shall have executed and delivered a Joinder Agreement substantially in the form of Annex III (if such Representative is a Second Priority Class Debt Representative) or Annex IV (if such Representative is a Senior Class Debt Representative) (with such changes as may be reasonably approved by the Designated Senior Representative and such Class Debt Representative, and, to the extent such changes increase the obligations or reduce the rights of a Grantor, by such Grantor) pursuant to which it becomes a Representative hereunder, and the Class Debt in respect of which such Class Debt Representative is the Representative and the related Class Debt Parties become subject hereto and bound hereby;

(ii) the Borrower shall have delivered to the Designated Senior Representative an Officer's Certificate stating that the conditions set forth in this Section 8.09 are satisfied with respect to such Class Debt and, if requested, true and complete copies of each of the Second Priority Debt Documents or Senior Debt Documents, as applicable, relating to such Class Debt, certified as being true and correct by an authorized officer of the Borrower; and

(iii) the Second Priority Debt Documents or Senior Debt Documents, as applicable, relating to such Class Debt shall provide that each Class Debt Party with respect to such Class Debt will be subject to and bound by the provisions of this Agreement in its capacity as a holder of such Class Debt.

SECTION 8.10. Consent to Jurisdiction; Waivers. Each Representative, on behalf of itself and the Secured Parties of the Debt Facility for which it is acting, irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the Collateral Documents, or for recognition and enforcement of any judgment in respect thereof, to the exclusive jurisdiction of the courts of the State of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such Person (or its Representative) at the address referred to in Section 8.11;

(d) agrees that nothing herein shall affect the right of any other party hereto (or any Secured Party) to effect service of process in any other manner permitted by law; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section 8.10 any special, exemplary, punitive or consequential damages.

SECTION 8.11. Notices. All notices, requests, demands and other communications provided for or permitted hereunder shall be in writing and shall be sent:

(i) if to any Grantor, to:

Life Time Fitness, Inc.
2902 Corporate Place
Chanhassen, MN 55317
Attn: Eric Buss / Chief Financial Officer
E-mail: Ebuss@lifetimefitness.com
Facsimile: (952) 947-0099

with a copy to:

Faegre Baker Daniels LLP
2200 Wells Fargo Center
90 South Seventh Street
Minneapolis, MN 55402-3901
Attention: James M. Pfau
Facsimile: (612) 766-1600
Email: jim.pfau@faegrebd.com

(ii) if to the Initial Senior Agent, to it at:

Deutsche Bank AG New York Branch
60 Wall Street
New York, NY 10005
Attn: Mark Kellam
E-mail: agency.transactions@db.com
Fax: (904)746-4860

(iii) if to the Initial Second Priority Representative, to it at:

[ ];

(iv) if to any other Representative, to it at the address specified by it in the Joinder Agreement delivered by it pursuant to Section 8.09.

Unless otherwise specifically provided herein, any notice or other communication herein required or permitted to be given shall be in writing and, may be personally served, telecopied, electronically mailed or sent by courier service or U.S. mail and shall be deemed to have been given when delivered in person or by courier service, upon receipt of a telecopy or electronic mail or upon receipt via U.S. mail (registered or certified, with postage prepaid and properly addressed). For the purposes hereof, the addresses of the parties hereto shall be as set forth above or, as to each party, at such other address as may be designated by such party in a written notice to all of the other parties. As agreed to in writing among each Representative from time to time, notices and other communications may also be delivered by e-mail to the e-mail address of a representative of the applicable Person provided from time to time by such Person.

SECTION 8.12. Further Assurances. Each Senior Representative, on behalf of itself and each Senior Secured Party under the Senior Debt Facility for which it is acting, each Second Priority Representative, on behalf of itself, and each Second Priority Debt Party under its Second Priority Debt Facility, agrees that it will take such further action and shall execute and deliver such additional documents and instruments (in recordable form, if requested) as the other parties hereto may reasonably request to effectuate the terms of, and the Lien priorities contemplated by, this Agreement.

SECTION 8.13. **GOVERNING LAW; WAIVER OF JURY TRIAL.**

(A) THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

(B) EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT AND FOR ANY COUNTERCLAIM THEREIN.

SECTION 8.14. Binding on Successors and Assigns. This Agreement shall be binding upon the Senior Representatives, the Senior Secured Parties, the Second Priority Representatives, the Second Priority Debt Parties, the Borrower, the other Grantors party hereto and their respective successors and assigns.

SECTION 8.15. Section Titles. The section titles contained in this Agreement are and shall be without substantive meaning or content of any kind whatsoever and are not a part of this Agreement.

SECTION 8.16. Counterparts. This Agreement may be executed in one or more counterparts, including by means of facsimile, each of which shall be an original and all of which shall together constitute one and the same document. Delivery of an executed signature page to this Agreement by facsimile or other electronic transmission shall be as effective as delivery of a manually signed counterpart of this Agreement.

SECTION 8.17. Authorization. By its signature, each Person executing this Agreement on behalf of a party hereto represents and warrants to the other parties hereto that it is duly authorized to execute this Agreement. The Initial Senior Agent represents and warrants that this Agreement is binding upon the Credit Agreement Secured Parties. The Second Priority Representative represents and warrants that this Agreement is binding upon the Second Priority Debt Parties.

SECTION 8.18. No Third Party Beneficiaries; Successors and Assigns. The lien priorities set forth in this Agreement and the rights and benefits hereunder in respect of such lien priorities shall inure solely to the benefit of the Senior Representatives, the Senior Secured Parties, the Second Priority Representatives and the Second Priority Debt Parties, and their respective permitted successors and assigns, and no other Person (including the Grantors, or any trustee, receiver, debtor-in-possession or bankruptcy estate in a bankruptcy or like proceeding) shall have or be entitled to assert such rights.

SECTION 8.19. Effectiveness. This Agreement shall become effective when executed and delivered by the parties hereto.

SECTION 8.20. Initial Senior Agent and Second Priority Representative. It is understood and agreed that (a) the Initial Senior Agent is entering into this Agreement in its capacity as administrative agent and collateral agent under the Credit Agreement and the provisions of Article IX of the Credit Agreement applicable to the Administrative Agent (as defined therein) thereunder shall also apply to the Initial Senior Agent hereunder and (b) the Initial Second Priority Representative is entering into this Agreement in its capacity as administrative agent and collateral agent under the Initial Second Priority Credit Agreement and the provisions of Article [ ] of the Initial Second Priority Credit Agreement applicable to the Administrative Agent (as defined therein) thereunder shall also apply to Second Priority Representative hereunder.

SECTION 8.21. Relative Rights. Notwithstanding anything in this Agreement to the contrary (except to the extent contemplated by Sections 5.01(a), 5.01(d), 5.03(b) and 5.03(c)), nothing in this Agreement is intended to or will (a) amend, waive or otherwise modify the provisions of the Credit Agreement, any other Senior Debt Document or any Second Priority Debt Documents, or permit the Borrower or any Grantor to take any action, or fail to take any action, to the extent such action or failure would otherwise constitute a breach of, or default under, the Credit Agreement or any other Senior Debt Document or any Second Priority Debt Documents, (b) change the relative priorities of the Senior Obligations or the Liens granted under the Senior Collateral Documents on the Shared Collateral (or any other assets) as among the Senior Secured Parties, (c) otherwise change the relative rights of the Senior Secured Parties in respect of the Shared Collateral as among such Senior Secured Parties or (d) obligate the Borrower or any Grantor to take any action, or fail to take any action, that would otherwise constitute a breach of, or default under, the Credit Agreement or any other Senior Debt Document or any Second Priority Debt Document.

SECTION 8.22. Refinancings. The Senior Obligations and the Second Priority Debt Obligations may be refinanced or replaced, in whole or in part, in each case, without notice to, or the consent (except to the extent a consent is otherwise required to permit the refinancing transaction under any Senior Debt Document or any Second Priority Debt Document) of any Representative or any Secured Party, all without affecting the Lien priorities provided for herein or the other provisions hereof. Each Second Priority Representative hereby agrees that at the request of the Borrower in connection with refinancing or replacement of Senior Obligations ("Replacement Senior Obligations") it will enter into an agreement with the agent or trustee for any Senior Obligations that refinance any Senior Obligations containing terms and conditions substantially similar to the terms and conditions of this Agreement.

SECTION 8.23. Survival of Agreement. All covenants, agreements, representations and warranties made by any party in this Agreement shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement.

ANNEX I

[INITIAL GRANTORS]

[FORM OF] SUPPLEMENT, dated as of [ ], 20[ ] (this "Supplement"), to the Junior Lien Intercreditor Agreement dated as of [ ], 20[ ] (as amended, restated, amended and restated, extended, supplemented and/or otherwise modified from time to time, the "Junior Lien Intercreditor Agreement"), among LTF Intermediate Holdings, Inc., a Delaware limited liability company ("Holdings"), Life Time Fitness, Inc., a Minnesota corporation, as Borrower and successor in interest to LTF Merger Sub, Inc., the other Grantors (as defined below) from time to time party hereto, [Deutsche Bank AG New York Branch], as Representative for the Credit Agreement Secured Parties (in such capacity, the "Initial Senior Agent"), [ ], as Representative for the Initial Second Priority Debt Parties (in such capacity and together with its successors in such capacity, the "Initial Second Priority Representative"), and each additional Second Priority Representative and Senior Representative that from time to time becomes a party thereto.

A. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Junior Lien Intercreditor Agreement.

B. The Grantors have entered into the Junior Lien Intercreditor Agreement. Pursuant to the Credit Agreement, certain Credit Agreement Loan Documents and certain Second Priority Debt Documents, certain newly acquired or organized Subsidiaries of the Borrower are required to enter into the Junior Lien Intercreditor Agreement. Section 8.07 of the Junior Lien Intercreditor Agreement provides that such Subsidiaries may become party to the Junior Lien Intercreditor Agreement by execution and delivery of an instrument in the form of this Supplement. The undersigned Subsidiary (the "New Grantor") is executing this Supplement in accordance with the requirements of the Credit Agreement, the Second Priority Debt Documents and Credit Agreement Loan Documents.

Accordingly, the Designated Senior Representative and the New Subsidiary Grantor agree as follows:

SECTION 1. In accordance with Section 8.07 of the Junior Lien Intercreditor Agreement, the New Grantor by its signature below becomes a Grantor under the Junior Lien Intercreditor Agreement with the same force and effect as if originally named therein as a Grantor, and the New Grantor hereby agrees to all the terms and provisions of the Junior Lien Intercreditor Agreement applicable to it as a Grantor thereunder. Each reference to a "Grantor" in the Junior Lien Intercreditor Agreement shall be deemed to include the New Grantor. The Junior Lien Intercreditor Agreement is hereby incorporated herein by reference.

SECTION 2. The New Grantor represents and warrants to the Designated Senior Representative and the other Secured Parties that this Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, except as such enforceability may be limited by Bankruptcy Law and by general principles of equity and principles of good faith and fair dealing.

SECTION 3. This Supplement may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Supplement shall become effective when the Designated Senior Representative shall have received a counterpart of this Supplement that bears the signature of the New Grantor. Delivery of an executed signature page to this Supplement by facsimile or other electronic transmission shall be as effective as delivery of a manually signed counterpart of this Supplement.

SECTION 4. Except as expressly supplemented hereby, the Junior Lien Intercreditor Agreement shall remain in full force and effect.

SECTION 5. **THIS SUPPLEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.**

SECTION 6. In case any one or more of the provisions contained in this Supplement should be held invalid, illegal or unenforceable in any respect, no party hereto shall be required to comply with such

provision for so long as such provision is held to be invalid, illegal or unenforceable, but the validity, legality and enforceability of the remaining provisions contained herein and in the Junior Lien Intercreditor Agreement shall not in any way be affected or impaired. The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 7. All communications and notices hereunder shall be in writing and given as provided in Section 8.11 of the Junior Lien Intercreditor Agreement. All communications and notices hereunder to the New Grantor shall be given to it in care of the Borrower as specified in the Junior Lien Intercreditor Agreement.

SECTION 8. The Borrower agrees to reimburse the Designated Senior Representative for its reasonableout-of-pocket expenses in connection with this Supplement, including the reasonable fees, other charges and disbursements of counsel for the Designated Senior Representative.

[Remainder of page intentionally left blank]

ANNEX III

[FORM OF] REPRESENTATIVE SUPPLEMENT, dated as of [ ], 20[ ] (this "Representative Supplement"), to the Junior Lien Intercreditor Agreement dated as of [ ], 20[ ] (as amended, restated, amended and restated, extended, supplemented and/or otherwise modified from time to time, the "Junior Lien Intercreditor Agreement"), among LTF Intermediate Holdings, Inc., a Delaware limited liability company ("Holdings"), Life Time Fitness, Inc., a Minnesota corporation and successor in interest to LTF Merger Sub, Inc., as Borrower, the other Grantors (as defined below) from time to time party hereto, [Deutsche Bank AG New York Branch], as Representative for the Credit Agreement Secured Parties (in such capacity, the "Initial Senior Agent"), [ ], as Representative for the Initial Second Priority Debt Parties (in such capacity and together with its successors in such capacity, the "Initial Second Priority Representative"), and each additional Second Priority Representative and Senior Representative that from time to time becomes a party thereto.

A. Capitalized terms used herein but not otherwise defined herein shall have the meanings assigned to such terms in the Junior Lien Intercreditor Agreement.

B. As a condition to the ability of the Borrower to incur Second Priority Debt and to secure such Second Priority Class Debt with the Second Priority Lien and to have such Second Priority Class Debt guaranteed by the Grantors on a subordinated basis, in each case under and pursuant to the Second Priority Collateral Documents, the Second Priority Class Representative in respect of such Second Priority Class Debt is required to become a Representative under, and such Second Priority Class Debt and the Second Priority Class Debt Parties in respect thereof are required to become subject to and bound by, the Junior Lien Intercreditor Agreement. Section 8.09 of the Junior Lien Intercreditor Agreement provides that such Second Priority Class Debt Representative may become a Representative under, and such Second Priority Class Debt and such Second Priority Class Debt Parties may become subject to and bound by, the Junior Lien Intercreditor Agreement, pursuant to the execution and delivery by the Second Priority Class Debt Representative of an instrument in the form of this Representative Supplement and the satisfaction of the other conditions set forth in Section 8.09 of the Junior Lien Intercreditor Agreement. The undersigned Second Priority Class Debt Representative (the "New Representative") is executing this Supplement in accordance with the requirements of the Senior Debt Documents and the Second Priority Debt Documents.

Accordingly, the Designated Senior Representative and the New Representative agree as follows:

SECTION 1. In accordance with Section 8.09 of the Junior Lien Intercreditor Agreement, the New Representative by its signature below becomes a Representative under, and the related Second Priority Class Debt and Second Priority Class Debt Parties become subject to and bound by, the Junior Lien Intercreditor Agreement with the same force and effect as if the New Representative had originally been named therein as a Representative, and the New Representative, on behalf of itself and such Second Priority Class Debt Parties, hereby agrees to all the terms and provisions of the Junior Lien Intercreditor Agreement applicable to it as a Second Priority Representative and to the Second Priority Class Debt Parties that it represents as Second Priority Debt Parties. Each reference to a "Representative" or "Second Priority Representative" in the Junior Lien Intercreditor Agreement shall be deemed to include the New Representative. The Junior Lien Intercreditor Agreement is hereby incorporated herein by reference.

SECTION 2. The New Representative represents and warrants to the Designated Senior Representative and the other Secured Parties that (i) it has full power and authority to enter into this Representative Supplement, in its capacity as [agent] [trustee] under [describe the new facility] (ii) this Representative Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with the terms of such Agreement and (iii) the Second Priority Debt Documents relating to such Second Priority Class Debt provide that, upon the New Representative's entry into this Agreement, the Second Priority Class Debt Parties in respect of such Second Priority Class Debt will be subject to and bound by the provisions of the Junior Lien Intercreditor Agreement as Second Priority Debt Parties.

SECTION 3. This Representative Supplement may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This

Representative Supplement shall become effective when the Designated Senior Representative shall have received a counterpart of this Representative Supplement that bears the signature of the New Representative. Delivery of an executed signature page to this Representative Supplement by facsimile transmission shall be effective as delivery of a manually signed counterpart of this Representative Supplement.

SECTION 4. Except as expressly supplemented hereby, the Junior Lien Intercreditor Agreement shall remain in full force and effect.

SECTION 5. **THIS REPRESENTATIVE SUPPLEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.**

SECTION 6. In case any one or more of the provisions contained in this Representative Supplement should be held invalid, illegal or unenforceable in any respect, no party hereto shall be required to comply with such provision for so long as such provision is held to be invalid, illegal or unenforceable, but the validity, legality and enforceability of the remaining provisions contained herein and in the Junior Lien Intercreditor Agreement shall not in any way be affected or impaired. The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 7. All communications and notices hereunder shall be in writing and given as provided in Section 8.11 of the Junior Lien Intercreditor Agreement. All communications and notices hereunder to the New Representative shall be given to it at the address set forth below its signature hereto.

SECTION 8. The Borrower agrees to reimburse the Designated Senior Representative for its reasonableout-of-pocket expenses in connection with this Representative Supplement, including the reasonable fees, other charges and disbursements of counsel for the Designated Senior Representative.

[FORM OF] REPRESENTATIVE SUPPLEMENT, dated as of [ ], 20[ ] (this "Representative Supplement"), to the Junior Lien Intercreditor Agreement dated as of [ ], 20[ ] (as amended, restated, amended and restated, extended, supplemented and/or otherwise modified from time to time, the "Junior Lien Intercreditor Agreement"), among LTF Intermediate Holdings, Inc., a Delaware limited liability company ("Holdings"), Life Time Fitness, Inc., a Minnesota corporation and successor in interest to LTF Merger Sub, Inc., as Borrower, the other Grantors (as defined below) from time to time party hereto, [Deutsche Bank AG New York Branch], as Representative for the Credit Agreement Secured Parties (in such capacity, the "Initial Senior Agent"), [ ], as Representative for the Initial Second Priority Debt Parties (in such capacity and together with its successors in such capacity, the "Initial Second Priority Representative"), and each additional Second Priority Representative and Senior Representative that from time to time becomes a party thereto.

A. Capitalized terms used herein but not otherwise defined herein shall have the meanings assigned to such terms in the Junior Lien Intercreditor Agreement.

B. As a condition to the ability of the Borrower to incur Senior Class Debt after the date of the Junior Lien Intercreditor Agreement and to secure such Senior Class Debt with the Senior Lien and to have such Senior Class Debt guaranteed by the Grantors on a senior basis, in each case under and pursuant to the Senior Collateral Documents, the Senior Class Debt Representative in respect of such Senior Class Debt is required to become a Representative under, and such Senior Class Debt and the Senior Class Debt Parties in respect thereof are required to become subject to and bound by, the Junior Lien Intercreditor Agreement. Section 8.09 of the Junior Lien Intercreditor Agreement provides that such Senior Class Debt Representative may become a Representative under, and such Senior Class Debt and such Senior Class Debt Parties may become subject to and bound by, the Junior Lien Intercreditor Agreement, pursuant to the execution and delivery by the Senior Class Debt Representative of an instrument in the form of this Representative Supplement and the satisfaction of the other conditions set forth in Section 8.09 of the Junior Lien Intercreditor Agreement. The undersigned Senior Class Debt Representative (the "New Representative") is executing this Supplement in accordance with the requirements of the Senior Debt Documents and the Second Priority Debt Documents.

Accordingly, the Designated Senior Representative and the New Representative agree as follows:

SECTION 1. In accordance with Section 8.09 of the Junior Lien Intercreditor Agreement, the New Representative by its signature below becomes a Representative under, and the related Senior Class Debt and Senior Class Debt Parties become subject to and bound by, the Junior Lien Intercreditor Agreement with the same force and effect as if the New Representative had originally been named therein as a Representative, and the New Representative, on behalf of itself and such Senior Class Debt Parties, hereby agrees to all the terms and provisions of the Junior Lien Intercreditor Agreement applicable to it as a Senior Representative and to the Senior Class Debt Parties that it represents as Senior Debt Parties. Each reference to a "Representative" or "Senior Representative" in the Junior Lien Intercreditor Agreement shall be deemed to include the New Representative. The Junior Lien Intercreditor Agreement is hereby incorporated herein by reference.

SECTION 2. The New Representative represents and warrants to the Designated Senior Representative and the other Secured Parties that (i) it has full power and authority to enter into this Representative Supplement, in its capacity as [agent] [trustee] under [describe the new facility], (ii) this Representative Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with the terms of such Agreement and (iii) the Senior Debt Documents relating to such Senior Class Debt provide that, upon the New Representative's entry into this Agreement, the Senior Class Debt Parties in respect of such Senior Class Debt will be subject to and bound by the provisions of the Junior Lien Intercreditor Agreement as Senior Secured Parties.

SECTION 3. This Representative Supplement may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Representative Supplement shall become effective when the Designated Senior Representative shall have received a counterpart of this Representative Supplement that bears the signature of the New Representative. Delivery of an executed signature page to this Representative Supplement by facsimile transmission shall be effective as delivery of a manually signed counterpart of this Representative Supplement.

SECTION 4. Except as expressly supplemented hereby, the Junior Lien Intercreditor Agreement shall remain in full force and effect.

SECTION 5. **THIS REPRESENTATIVE SUPPLEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.**

SECTION 6. In case any one or more of the provisions contained in this Representative Supplement should be held invalid, illegal or unenforceable in any respect, no party hereto shall be required to comply with such provision for so long as such provision is held to be invalid, illegal or unenforceable, but the validity, legality and enforceability of the remaining provisions contained herein and in the Junior Lien Intercreditor Agreement shall not in any way be affected or impaired. The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 7. All communications and notices hereunder shall be in writing and given as provided in Section 8.11 of the Junior Lien Intercreditor Agreement. All communications and notices hereunder to the New Representative shall be given to it at the address set forth below its signature hereto.

SECTION 8. The Borrower agrees to reimburse the Designated Senior Representative for its reasonableout-of-pocket expenses in connection with this Representative Supplement, including the reasonable fees, other charges and disbursements of counsel for the Designated Senior Representative.

Exhibit 10.2

EXECUTION VERSION

TECHNICAL AMENDMENT NO. 1 TO CREDIT AGREEMENT

TECHNICAL AMENDMENT NO. 1 (this "***Agreement***"), dated as of July 21, 2015, to that certain Credit Agreement dated as of June 10, 2015 (the "***Credit Agreement***") among LTF INTERMEDIATE HOLDINGS, INC., a Delaware corporation ("***Holdings***"), LIFE TIME FITNESS, INC., a Minnesota corporation and successor in interest to LTF MERGER SUB, INC., as borrower (the "***Borrower***"), DEUTSCHE BANK AG NEW YORK BRANCH, as administrative agent (in such capacity, including any successor thereto, the "***Administrative Agent***"), and the lenders from time to time party thereto. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Credit Agreement.

WHEREAS, Section 10.01(3)(c) of the Credit Agreement permits the Administrative Agent and the Borrower to amend any Loan Document to amend any obvious error or any error or omission of a technical or immaterial nature, in each case, in any provision of the Credit Agreement or any other Loan Document and such amendment shall become effective without any further action or consent of any other party to such Loan Document;

NOW, THEREFORE, the parties hereto agree as follows:

Section 1. Amendment to Credit Agreement

Section 6.01(3) of the Credit Agreement is hereby amended by deleting the phrase "one hundred" immediately before the phrase "ninety (90) days".

Section 2. This Agreement shall become effective upon execution by the parties hereto without any further action or consent of any other party to any Loan Document.

Section 3. Except as expressly set forth herein, this Agreement shall not by implication or otherwise limit, impair, constitute a waiver of or otherwise affect the rights and remedies of any Lender or the Administrative Agent under the Credit Agreement or any other Loan Document, and shall not alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement or any other Loan Document, all of which are ratified and affirmed in all respects and shall continue in full force and effect. Nothing herein shall be deemed to entitle any Loan Party to a consent to, or a waiver, amendment, modification or other change of, any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement or any other Loan Document in similar or different circumstances.

Section 4. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

Section 5. This Agreement shall constitute a Loan Document for all purposes of the Credit Agreement.

Section 6. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

[*remainder of page intentionally left blank*]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

LIFE TIME FITNESS INC., as Borrower,

By: /s/ Eric Buss
Name: Eric Buss
Title: Chief Financial Officer and
Executive Vice President

[Signature Page to Technical Amendment No. 1 to Credit Agreement]

DEUTSCHE BANK AG NEW YORK BRANCH, as Administrative Agent,

By: /s/ Mary Kay Coyle
Name: Mary Kay Coyle
Title: Managing Director

By: /s/ Anca Trifan
Name: Anca Trifan
Title: Managing Director

Exhibit 10.3

EXECUTION VERSION

TECHNICAL AMENDMENT NO. 2 TO CREDIT AGREEMENT

TECHNICAL AMENDMENT NO. 2 (this "***Agreement***"), dated as of September 14, 2015, to that certain Credit Agreement dated as of June 10, 2015 (the "***Credit Agreement***") among LTF INTERMEDIATE HOLDINGS, INC., a Delaware corporation ("***Holdings***"), LIFE TIME FITNESS, INC., a Minnesota corporation and successor in interest to LTF MERGER SUB, INC., as borrower (the "***Borrower***"), DEUTSCHE BANK AG NEW YORK BRANCH, as administrative agent (in such capacity, including any successor thereto, the "***Administrative Agent***"), and the lenders from time to time party thereto. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Credit Agreement.

WHEREAS, Section 10.01(3)(c) of the Credit Agreement permits the Administrative Agent and the Borrower to amend any Loan Document to amend any obvious error or any error or omission of a technical or immaterial nature, in each case, in any provision of the Credit Agreement or any other Loan Document and such amendment shall become effective without any further action or consent of any other party to such Loan Document;

NOW, THEREFORE, the parties hereto agree as follows:

Section 1. Amendments to Credit Agreement

(a) Clause (a)(ii) of the definition of "Applicable Rate" in Section 1.01 of the Credit Agreement is hereby amended by replacing "4.25%" with "2.25%"; and

(b) Clause (b) of the definition of "Applicable Rate" in Section 1.01 of the Credit Agreement is hereby amended by (1) replacing "4.25%" with "2.25%" in subclause (i)(B) and (2) amending and restating the table in subclause (ii) in its entirety as follows:

Pricing Level	First Lien Net Leverage Ratio	Eurodollar Rate, CDOR Rate and Letter of Credit Fees	Base Rate	Commitment Fee Rate
1	> 3.50 to 1.00	3.25%	2.25%	0.500%
2	£ 3.50 to 1.00	3.00%	2.00%	0.375%

Section 2. This Agreement shall become effective upon execution by the parties hereto without any further action or consent of any other party to any Loan Document.

Section 3. Except as expressly set forth herein, this Agreement shall not by implication or otherwise limit, impair, constitute a waiver of or otherwise affect the rights and remedies of any Lender or the Administrative Agent under the Credit Agreement or any other Loan Document, and shall not alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement or any other Loan Document, all of which are ratified and affirmed in all respects and shall continue in full force and effect. Nothing herein shall be deemed to entitle any Loan Party to a consent to, or a waiver, amendment, modification or other change of, any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement or any other Loan Document in similar or different circumstances.

Section 4. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

Section 5. This Agreement shall constitute a Loan Document for all purposes of the Credit Agreement.

Section 6. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

[*remainder of page intentionally left blank*]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

LIFE TIME FITNESS, INC., as Borrower,

By: /s/ Eric Buss
Name: Eric Buss
Title: Chief Financial Officer and Executive Vice President

DEUTSCHE BANK AG NEW YORK BRANCH,
as Administrative Agent,

By: /s/ Michael Winters
Name: Michael Winters
Title: Vice President

By: /s/ Peter Cucchiara
Name: Peter Cucchiara
Title: Vice President

[Signature Page to Technical Amendment No. 2 to Credit Agreement]

Exhibit 10.4

EXECUTION VERSION

THIRD AMENDMENT TO CREDIT AGREEMENT

This THIRD AMENDMENT TO THE CREDIT AGREEMENT, dated as of June 9, 2016 (this "**Third Amendment**"), by and among LTF INTERMEDIATE HOLDINGS, INC., a Delaware corporation ("**Holdings**"), LIFE TIME FITNESS, INC., a Minnesota corporation and successor in interest to LTF MERGER SUB, INC., as borrower (the "**Borrower**"), the Subsidiary Guarantors party hereto, DEUTSCHE BANK AG NEW YORK BRANCH, as administrative agent (in such capacity, including any successor thereto, the "**Administrative Agent**"), and the incremental lenders party hereto (in such capacity, the "**New Term Loan Lenders**"). Unless otherwise indicated, all capitalized terms used herein and not otherwise defined shall have the respective meanings provided such terms in the Credit Agreement referred to below (as amended by this Third Amendment).

W I T N E S S E T H:

WHEREAS, the Borrower, Holdings, the Lenders from time to time party thereto and the Administrative Agent are parties to a Credit Agreement, dated as of June 10, 2015 (as amended by that certain Technical Amendment No. 1, dated as of July 21, 2015, by and between the Borrower and the Administrative agent and that certain Technical Amendment. No. 2, dated as of September 14, 2015, by and between the Borrower and the Administrative Agent, the "**Credit Agreement**");

WHEREAS, on the date hereof, there are outstanding Term Loans under the Credit Agreement (for purposes of this Third Amendment, herein called the "**Existing Term Loans**") in an aggregate principal amount of $1,240,625,000;

WHEREAS, in accordance with the provisions of Sections 2.14 and 10.01 of the Credit Agreement, the Borrower, Holdings, the Administrative Agent and the New Term Loan Lenders wish to amend the Credit Agreement to enable the Borrower to, among other things, incur Incremental Term Loans (the "**New Term Loans**") in an aggregate amount of $100,000,000, so that, after giving effect to the New Term Loans, the total aggregate amount of the Term Facility on the Third Amendment Effective Date (as defined below) is $1,340,625,000; and

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed as follows:

SECTION 1. Amendments to Credit Agreement.

(a) New Term Loans.

(i) Subject to the satisfaction (or waiver) of the conditions set forth in Section 2 hereof and in reliance upon the representations and warranties set forth in Section 4 hereof, the New Term Loan Lenders severally, but not jointly, hereby agree to make the New Term Loans to the Borrower on the Third Amendment Effective Date (as defined below) in the aggregate principal amount of such New Term Loan Lender's New Term Loan Commitment (as defined below). The New Term Loans being made pursuant to this Third Amendment shall constitute Term Loans as defined in the Credit Agreement and shall be added to, and thereafter constitute a part of, the same Class of Term Loans as the Existing Term Loans for all purposes under the Credit Agreement and the other Loan Documents (including without limitation ranking *pari passu* in right of payment and of security with the Existing Term Loans and maturing on the same date that the Existing Term Loans mature). The New Term Loans are intended to be treated as

being fungible with the Existing Term Loans for U.S. federal income tax purposes and will trade under the same CUSIP number as the Existing Term Loans. The New Term Loans will (x) amortize at the same rate of amortization as the Existing Term Loans, resulting in the New Term Loans having a Weighted Average Life to Maturity not less than the Existing Term Loans and (y) otherwise be on the exact same terms applicable to the Existing Term Loans.

(ii) The Administrative Agent has prepared a schedule attached hereto as Annex I (the "**New Term Loan Commitment Schedule**") which sets forth the allocated commitments received by it (collectively, the "**New Term Loan Commitments**") from the New Term Loan Lenders. The Administrative Agent has notified each New Term Loan Lender of its allocated New Term Loan Commitment, and each Lender that holds a New Term Loan Commitment is a signatory to this Third Amendment.

(iii) The Borrower and each New Term Loan Lender agree that the New Term Loans will be issued at a price equal to 99.00% of the aggregate principal amount thereof.

(iv) The Borrower hereby acknowledges that all of the New Term Loans are being incurred in reliance on the Ratio Amount under Section 2.14 of the Credit Agreement.

(b) Interest; Interest Periods. The Applicable Rate for the New Term Loans shall be the same as the Applicable Rate that applies to the Existing Term Loans of the same Type. All Interest Periods applicable to Existing Term Loans shall continue in effect after the Third Amendment Effective Date. The New Term Loans shall be initially incurred pursuant to a single Borrowing of Eurodollar Rate Loans, with such Borrowing to be subject to (x) Interest Periods which commence on the Third Amendment Effective Date and end on the last day of the Interest Periods applicable to the Existing Term Loans and (y) the Eurodollar Rate applicable to the Existing Term Loans. The New Term Loans of each Lender shall be allocated ratably to such Interest Periods (based upon the relative principal amounts of Borrowings of the Existing Term Loans subject to such Interest Periods immediately prior to the Third Amendment Effective Date), with the effect being that the New Term Loans that are funded in cash on the Third Amendment Effective Date shall be ratably allocated to the various Interest Periods as described above. The Administrative Agent shall record the New Term Loans in the Register, and the principal amounts and stated interest of the New Term Loans owing to the New Term Loan Lenders and their subsequent permitted assignees. From and after the Third Amendment Effective Date to the first Interest Payment Date to occur after the Third Amendment Effective Date, the Administrative Agent shall make all payments in respect of interest on the New Term Loans to the New Term Loan Lenders for amounts which have accrued on the New Term Loans from the Third Amendment Effective Date to but excluding such Interest Payment Date (and to the extent any New Term Loan Lender assigns all or any portion of the New Term Loans during such period, such payment shall be made in accordance with Section 2 on Annex 1 to the applicable Assignment and Assumption).

(c) Use of Proceeds. The Borrower will use the proceeds of the New Term Loans on the Third Amendment Effective Date to (i) pay fees and expenses in connection with the preparation and negotiation of this Third Amendment and the funding of the New Term Loans, (ii) to prepay Revolving Loans and (iii) for working capital or other general corporate purposes not prohibited by the Loan Documents.

(d) Additional Credit Agreement Amendments. Subject to the satisfaction (or waiver) of the conditions set forth in Section 2 hereof and upon the making of the New Term Loans, the Credit Agreement is hereby amended as follows:

(i) Section 2.07(1) of the Credit Agreement is hereby amended by amending and restating such Section in its entirety as follows:

"(1) The Borrower shall repay to the Administrative Agent for the ratable account of the Appropriate Lenders as follows:

(a) on the last Business Day of each March, June, September and December an aggregate principal amount equal to the amount corresponding to such fiscal quarter in the table below (which payments shall be reduced as a result of the application of prepayments in accordance with the order of priority set forth in Section 2.05):

Fiscal Quarter Ended	Principal Amount to be Repaid
September 30, 2015	$ 3,125,000.00
December 31, 2015	$ 3,125,000.00
March 31, 2016	$ 3,125,000.00
June 30, 2016	$ 3,376,889.17
September 31, 2016	$ 3,376,889.17
December 31, 2016	$ 3,376,889.17
March 31, 2017	$ 3,376,889.17
June 30, 2017	$ 3,376,889.17
September 31, 2017	$ 3,376,889.17
December 31, 2017	$ 3,376,889.17
March 31, 2018	$ 3,376,889.17
June 30, 2018	$ 3,376,889.17
September 31, 2018	$ 3,376,889.17
December 31, 2018	$ 3,376,889.17
March 31, 2019	$ 3,376,889.17
June 30, 2019	$ 3,376,889.17
September 31, 2019	$ 3,376,889.17
December 31, 2019	$ 3,376,889.17

March 31, 2020	$3,376,889.17
June 30, 2020	$3,376,889.17
September 31, 2020	$3,376,889.17
December 31, 2020	$3,376,889.17
March 31, 2021	$3,376,889.17
June 30, 2021	$3,376,889.17
September 31, 2021	$3,376,889.17
December 31, 2021	$3,376,889.17
March 31, 2022	$3,376,889.17

; and

(b) on the Maturity Date for the Term Loans, the aggregate principal amount of all Term Loans outstanding on such date. In connection with any Incremental Term Loans that constitute part of the same Class as the Closing Date Term Loans, the Borrower and the Administrative Agent shall be permitted to adjust the rate of prepayment in respect of such Class such that the Term Lenders holding Closing Date Term Loans comprising part of such Class continue to receive a payment that is not less than the same dollar amount that such Term Lenders would have received absent the incurrence of such Incremental Term Loans."

SECTION 2. Conditions of Effectiveness of this Third Amendment. This Third Amendment shall become effective and the New Term Loan Lenders shall disburse the New Term Loan to be made by it pursuant to Section 1(a) on the date (the "**Third Amendment Effective Date**") when the following conditions shall have been satisfied (or waived):

(a) the Administrative Agent (or its counsel) shall have received from the Borrower, Holdings, the Administrative Agent and each New Term Loan Lender counterparts of this Third Amendment signed on behalf of such parties (including by way of facsimile or other electronic transmission);

(b) substantially simultaneously with the making of the New Term Loans, the Borrower shall have paid, by wire transfer of immediately available funds, all reasonable and documented in reasonable detail costs, fees, out-of-pocket expenses (including the reasonable and documented in reasonable detail fees, disbursements and other charges of Davis Polk & Wardwell LLP in connection with this Third Amendment), compensation and other amounts then due and payable pursuant to the Amended and Restated Engagement Letter, dated as of June 8, 2016, by and among the Borrower, Deutsche Bank Securities Inc., Goldman Sachs Bank USA, Jefferies LLC, BMO Capital Markets Corp., Macquarie Capital USA Inc., Nomura Securities International Inc., Mizuho Securities USA Inc. and Guggenheim Securities, LLC, in the case of the costs and out-of-pocket expenses, to the extent invoiced at least one Business Day prior to the Third Amendment Effective Date;

(c) on the Third Amendment Effective Date and after giving effect to this Third Amendment and the making of the New Term Loans, (i) no Default or Event of Default shall have occurred and be continuing and (ii) the representations and warranties of the Borrower and each other Loan Party in this Third Amendment, the Credit Agreement and the other Loan Documents shall be accurate in all material respects (except for any representations and warranties already qualified by materiality or Material Adverse Effect, which shall be accurate in all respects) before and after the effectiveness of this Third Amendment and the making of the New Term Loans or the application of the proceeds thereof;

(d) the Administrative Agent shall have received a certificate executed by a Responsible Officer of the Borrower, certifying compliance with the requirements of the preceding clause (c);

(e) the Administrative Agent shall have received no fewer than three Business Days prior to the Third Amendment Effective Date a Committed Loan Notice, duly executed by the Borrower, for the Borrowing of the New Term Loans pursuant to this Third Amendment;

(f) there shall have been delivered to the Administrative Agent (A) certificates of good standing from the secretary of state of the state of organization of each Loan Party (to the extent such concept exists in such jurisdiction), customary certificates of resolutions or other action, incumbency certificates, (B) a certificate of a Responsible Officer of the Borrower (which may be contained in the same certificate as the certificate delivered pursuant to the preceding clause (e)), certifying that since the Third Amendment Effective Date, except as attached to such certificate, there have been no changes to the Organizational Documents of the Loan Parties and/or attaching copies of any such Organizational Documents that have changed since the Third Amendment Effective Date and (C) a solvency certificate from a Responsible Officer of the Borrower (after giving effect to the New Term Loans) substantially in the form attached to the Credit Agreement as Exhibit I; and

(g) the Administrative Agent shall have received an opinion from (i) Latham & Watkins LLP, special New York counsel to the Loan Parties and (ii) Faegre Baker Daniels LLP, special Minnesota counsel to the Loan Parties, in each case in form and substance reasonably satisfactory to the Administrative Agent and addressed to the Administrative Agent and the New Term Loan Lenders.

SECTION 3. Representations and Warranties. To induce the Administrative Agent and the New Term Loan Lenders party hereto to enter into this Third Amendment, each of the Borrower and Holdings represents and warrants to the Administrative Agent and the New Term Loan Lender party hereto on and as of the Third Amendment Effective Date:

(a) all of the representations and warranties of each Loan Party contained in the Credit Agreement and the other Loan Documents are true and correct in all material respects on and as of the Third Amendment Effective Date; provided that, to the extent that such representations and warranties specifically refer to an earlier date, they shall be true and correct in all material respects as of such earlier date; provided further that any representation and warranty that is qualified as to "materiality," "Material Adverse Effect" or similar language shall be true and correct (after giving effect to any qualification therein) in all respects on and as of the Third Amendment Effective Date or such earlier date; and

(b) no Default or Event of Default exists as of the Third Amendment Effective Date, or would result from the making of the New Term Loans or the application of the proceeds therefrom.

SECTION 4. Reaffirmation of Guaranty. Each Guarantor reaffirms its guarantee of the Guaranteed Obligations (as defined in the Guaranty) under the terms and conditions of the Guaranty and agrees that such guarantee remains in full force and effect and is hereby ratified, reaffirmed and confirmed. Each Guarantor hereby confirms that it consents to the terms of this Third Amendment, including, without limitation, the extension of additional credit to the Borrower in the form of the New

Term Loans in an aggregate principal amount of $100,000,000, which is in addition to the obligations owed by the Loan Parties under the Credit Agreement immediately prior to the Third Amendment Effective Date and which constitutes "Guaranteed Obligations" of such Guarantor under the Guaranty as amended by this Third Amendment. Each Guarantor hereby (i) confirms that each Loan Document to which it is a party or is otherwise bound will continue to guarantee to the fullest extent possible in accordance with the Loan Documents, the payment and performance of the Guaranteed Obligations, including without limitation the payment and performance of all such applicable Guaranteed Obligations that are joint and several obligations of each Guarantor now or hereafter existing; (ii) acknowledges and agrees that its Guaranty and each of the Loan Documents to which it is a party or otherwise bound shall continue in full force and effect and that all of its obligations thereunder shall be valid and enforceable and shall not be impaired or limited by the execution or effectiveness of the Third Amendment; and (iii) acknowledges, agrees and warrants for the benefit of the Administrative Agent and each Secured Party that there are no rights of set-off or counterclaim, nor any defenses of any kind, whether legal, equitable or otherwise, that would enable such Guarantor to avoid or delay timely performance of its obligations under the Loan Documents (except to the extent such obligations constitute Excluded Swap Obligations (as defined in the Guaranty) with respect to such Guarantor).

SECTION 5. Reaffirmation of Security Agreement.

(a) Each Loan Party hereby acknowledges that it has reviewed and consents to the terms and conditions of this Third Amendment and the transactions contemplated hereby, including, without limitation, the extension of credit in the form of the New Term Loans in an aggregate principal amount of $100,000,000. In addition, each Loan Party reaffirms the security interests granted by such Loan Party under the terms and conditions of the Security Agreement to secure the Obligations and agrees that such security interests remain in full force and effect and are hereby ratified, reaffirmed and confirmed. Each Loan Party hereby confirms that the security interests granted by such Loan Party under the terms and conditions of the Security Agreement secures the New Term Loans as part of the Obligations. Each Loan Party hereby (i) confirms that each Loan Document to which it is a party or is otherwise bound and all Collateral (as defined in the Security Agreement) encumbered thereby will continue to guarantee or secure, as the case may be, to the fullest extent possible in accordance with the Loan Documents, the payment and performance of the Obligations, as the case may be, including without limitation the payment and performance of all such applicable Obligations that are joint and several obligations of each Loan Party now or hereafter existing, (ii) confirms its respective grant to the Collateral Agent for the benefit of the Secured Parties of the security interest in and continuing Lien on all of such Loan Party's right, title and interest in, to and under all Collateral (as defined in the Security Agreement), whether now owned or existing or hereafter acquired or arising and wherever located, as collateral security for the prompt and complete payment and performance in full when due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise, of all applicable Obligations (including all such Obligations as amended, reaffirmed and/or increased pursuant to this Third Amendment), subject to the terms contained in the applicable Loan Documents, and (iii) confirms its respective guarantees, pledges, grants of security interests and other obligations, as applicable, under and subject to the terms of each of the Loan Documents to which it is a party.

(b) Each Loan Party acknowledges and agrees that each of the Loan Documents to which it is a party or otherwise bound shall continue in full force and effect and that all of its obligations thereunder shall be valid and enforceable and shall not be impaired or limited by the execution or effectiveness of this Third Amendment.

SECTION 6. Reference to and Effect on the Credit Agreement and the Loan Documents.

(a) This Third Amendment shall constitute both an Incremental Amendment and a Loan Document under the Credit Agreement.

(b) On and after the Third Amendment Effective Date, (i) each reference in the Credit Agreement to "this Agreement," "hereunder," "hereof" or words of like import referring to the Credit Agreement shall mean and be a reference to the Credit Agreement, as amended by this Third Amendment and (ii) the New Term Loan Lender shall constitute a "Lender" as defined in the Credit Agreement.

(c) The Credit Agreement and each of the other Loan Documents, as specifically amended by this Third Amendment, are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed. Without limiting the generality of the foregoing, the Collateral Documents and all of the Collateral described therein do and shall continue to secure the payment of all Obligations of the Loan Parties under the Loan Documents, in each case, as amended by this Third Amendment.

(d) The execution, delivery and effectiveness of this Third Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any Lender or the Administrative Agent under any of the Loan Documents, nor constitute a waiver of any provision of any of the Loan Documents.

(e) This Third Amendment may not be amended, modified or waived except pursuant to a writing signed by each of the parties hereto.

SECTION 7. Governing Law. THIS THIRD AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

SECTION 8. Counterparts. This Third Amendment may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Third Amendment by telecopy or other electronic imaging (including in .pdf format) means shall be effective as delivery of a manually executed counterpart of this Third Amendment.

SECTION 9. Electronic Execution. The words "execution," "signed," "signature," and words of like import in this Third Amendment or in any amendment or other modification hereof (including waivers and consents) shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

[*The remainder of this page is intentionally left blank.*]

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized officers to execute and deliver this Third Amendment as of the date first above written.

LIFE TIME FITNESS, INC., as Borrower

By: /s/ Bahram Akradi
Name: Bahram Akradi
Title: President and Chief Executive Officer

LTF INTERMEDIATE HOLDINGS, INC., as Holdings and Guarantor

By: /s/ Bahram Akradi
Name: Bahram Akradi
Title: President and Chief Executive Officer

LTF CLUB OPERATIONS COMPANY, INC., as Guarantor,

By: /s/ Steve Kerzman
Name: Steve Kerzman
Title: President, Chief Executive Officer and Chief Financial Officer

LTF OPERATIONS HOLDINGS, INC., as Guarantor,

By: /s/ Bahram Akradi
Name: Bahram Akradi
Title: President and Chief Executive Officer

LTF MANAGEMENT SERVICES, LLC, as Guarantor,

By: /s/ Bahram Akradi
Name: Bahram Akradi
Title: President and Chief Executive Officer

LTF CONSTRUCTIONS COMPANY, LLC, as Guarantor,

By: /s/ Bahram Akradi
Name: Bahram Akradi
Title: President and Chief Executive Officer

LTF RESTAURANT COMPANY, LLC, as Guarantor,

By: /s/ Bahram Akradi
Name: Bahram Akradi
Title: President and Chief Executive Officer

LTF CLUB MANAGEMENT COMPANY, LLC, as Guarantor,

By: /s/ Bahram Akradi
Name: Bahram Akradi
Title: President and Chief Executive Officer

LTF MINNETONKA RESTAURANT COMPANY, LLC, as Guarantor,

By: /s/ Bahram Akradi
Name: Bahram Akradi
Title: President and Chief Executive Officer

LTF TRIATHLON SERIES, LLC, as Guarantor,

By: /s/ Bahram Akradi
Name: Bahram Akradi
Title: President and Chief Executive Officer

CHRONOTRACK SYSTEM CORP., as Guarantor,

By: /s/ Steve Kerzman
Name: Steve Kerzman
Title: Treasurer

LTF ARCHITECTURE, LLC, as Guarantor,

By: /s/ Bahram Akradi
Name: Bahram Akradi
Title: President and Chief Executive Officer

LTF LEASE COMPANY, LLC, as Guarantor,

By: /s/ Bahram Akradi
Name: Bahram Akradi
Title: President and Chief Executive Officer

LTF REAL ESTATE HOLDINGS, LLC, as Guarantor,

By: /s/ Bahram Akradi
Name: Bahram Akradi
Title: President and Chief Executive Officer

LTF REAL ESTATE COMPANY, as Guarantor,

By: /s/ Bahram Akradi
Name: Bahram Akradi
Title: President and Chief Executive Officer

LTF EDUCATIONAL PROGRAMS, LLC, as Guarantor,

By: /s/ Bahram Akradi
Name: Bahram Akradi
Title: President and Chief Executive Officer

LTF GROUND LEASE COMPANY, LLC, as Guarantor,

By: /s/ Bahram Akradi
Name: Bahram Akradi
Title: President and Chief Executive Officer

DEUTSCHE BANK AG NEW YORK BRANCH, as New Term Loan Lender

By: /s/ Marcus M. Tarkington
Name: Marcus M. Tarkington
Title: Director

By: /s/ Peter Cucchiara
Name: Peter Cucchiara
Title: Vice President

[Signature Page to Third Amendment to Credit Agreement]

ANNEX I

NEW TERM LOAN COMMITMENT SCHEDULE

New Term Loan Lender	New Term Loan Commitment
DEUTSCHE BANK AG NEW YORK BRANCH	$ 100,000,000.00
Total	$ 100,000,000.00

Exhibit 10.5

EXECUTION VERSION

FOURTH AMENDMENT TO CREDIT AGREEMENT

This FOURTH AMENDMENT TO THE CREDIT AGREEMENT, dated as of January 27, 2017 (this "**Fourth Amendment**"), by and among LTF INTERMEDIATE HOLDINGS, INC., a Delaware corporation ("**Holdings**"), LIFE TIME FITNESS, INC., a Minnesota corporation and successor in interest to LTF MERGER SUB, INC., as borrower (the "**Borrower**"), the Subsidiary Guarantors party hereto, DEUTSCHE BANK AG NEW YORK BRANCH, as administrative agent (in such capacity, including any successor thereto, the "**Administrative Agent**") and the New Refinancing Term Loan Lenders (as defined below) party hereto. Unless otherwise indicated, all capitalized terms used herein and not otherwise defined shall have the respective meanings provided such terms in the Credit Agreement referred to below (as amended by this Fourth Amendment).

W I T N E S S E T H:

WHEREAS, the Borrower, Holdings, the Lenders from time to time party thereto and the Administrative Agent are parties to a Credit Agreement, dated as of June 10, 2015 (as amended by that certain Technical Amendment No. 1, dated as of July 21, 2015, that certain Technical Amendment. No. 2, dated as of September 14, 2015 and that certain Third Amendment to the Credit Agreement dated as of June 9, 2016, the "**Credit Agreement**");

WHEREAS, on the date hereof, there are outstanding Term Loans under the Credit Agreement in an aggregate principal amount of $1,330,494,332.49 (the "**Existing Term Loans**");

WHEREAS, in accordance with the provisions of Sections 2.15 and 10.01 of the Credit Agreement, the Borrower, Holdings, the Administrative Agent and the New Refinancing Term Loan Lenders wish to amend the Credit Agreement to enable the Borrower to, among other things, refinance in full the aggregate amount of Term Loans outstanding immediately prior to the Fourth Amendment Effective Date (as defined below);

WHEREAS, pursuant to Section 2.15 of the Credit Agreement, the Company has requested that the New Refinancing Term Loan Lenders listed on the New Refinancing Term Loan Commitment Schedule (as defined below) (each, a "**New Refinancing Term Loan Lender**" and, collectively, the "**New Refinancing Term Loan Lenders**") provide and/or convert Existing Term Loans into new Refinancing Term Loans under the Credit Agreement (the "**2017 Refinancing Term Loans**") in an aggregate principal amount of $1,330,494,332.49, including, in the case of certain New Refinancing Term Loan Lenders who are currently Lenders with respect to Existing Term Loans under the Credit Agreement (each, a "**Converting Lender**"), by converting all or if otherwise specified by the Administrative Agent, a portion of their outstanding Existing Term Loans into 2017 Refinancing Term Loans (each such 2017 Refinancing Term Loan, a "**Converting Term Loan**") in the same aggregate principal amount as such New Refinancing Term Loan Lender's Existing Term Loan (or lesser amount as may be specified by the Administrative Agent) simultaneously with the making of other 2017 Refinancing Term Loans hereunder; and

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed as follows:

SECTION 1. Amendments to Credit Agreement.

(a) 2017 Refinancing Term Loans.

(i) Subject to the satisfaction (or waiver) of the conditions set forth in Section 2 hereof and in reliance upon the representations and warranties set forth in Section 4 hereof, the New Refinancing Term Loan Lenders severally, but not jointly, hereby agree to make (or in the case of each Converting Lender, convert its Converting Term Loan to) 2017 Refinancing Term Loans to the Borrower on the Fourth Amendment Effective Date in the aggregate principal amount of such New Refinancing Term Loan Lender's New Refinancing Term Loan Commitment (as defined below).

(ii) The Administrative Agent has prepared a schedule attached hereto as Schedule A (the "**New Refinancing Term Loan Commitment Schedule**") which sets forth each New Refinancing Term Loan Lender's "New Refinancing Term Loan Commitment" (collectively, the "**New Refinancing Term Loan Commitments**").

(iii) The 2017 Refinancing Term Loans shall be designated as a new Tranche under the Credit Agreement, with terms and provisions identical to the Existing Term Loans, except as set forth herein.

(b) Additional Credit Agreement Amendments. Each of the parties hereto agrees that, subject to the satisfaction (or waiver) of the conditions set forth in Section 2 hereof and upon the making of the 2017 Refinancing Term Loans, the Credit Agreement shall be amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the double-underlined text (indicated textually in the same manner as the following example: double-underlined text) as set forth in the pages of the Credit Agreement attached as Annex II hereto.

SECTION 2. Conditions of Effectiveness of this Fourth Amendment. This Fourth Amendment shall become effective and the New Refinancing Term Loan Lenders shall disburse the 2017 Refinancing Term Loan to be made by it pursuant to Section 1(a) on the date (the "**Fourth Amendment Effective Date**") when the following conditions shall have been satisfied (or waived):

(a) the Administrative Agent (or its counsel) shall have received (x) from the Borrower, Holdings, the Administrative Agent and each New Refinancing Term Loan Lender counterparts of this Fourth Amendment signed on behalf of such parties and (y) from each Converting Lender, a Refinancing Lender Consent substantially in the form of Annex 1 hereto (the "**Refinancing Lender Consent**") (in each case, including by way of facsimile or other electronic transmission);

(b) substantially simultaneously with the making of the 2017 Refinancing Term Loans, the Borrower shall have paid, by wire transfer of immediately available funds, all reasonable and documented in reasonable detail costs, fees, out-of-pocket expenses (including the reasonable and documented in reasonable detail fees, disbursements and other charges of Davis Polk & Wardwell LLP in connection with this Fourth Amendment), compensation and other amounts then due and payable pursuant to the Engagement Letter, dated as of January 13, 2017, by and between the Borrower and Deutsche Bank Securities Inc. ("**DBSI**") and the Amended and Restated Engagement Letter dated as of January 20, 2017, by and among DBSI, Goldman Sachs Bank USA., Jefferies LLC, BMO Capital Markets Corp., Macquarie Capital USA Inc., Nomura Securities International Inc., Mizuho Securities USA Inc. and Guggenheim Securities, LLC (collectively, the "**Lead Arrangers**") and the Borrower, and the Fee Letter, dated as of January 13, 2017, by and between the Borrower and DBSI, and in the case of the costs and out-of-pocket expenses, to the extent invoiced at least one Business Day prior to the Fourth Amendment Effective Date;

(c) on the Fourth Amendment Effective Date and after giving effect to this Fourth Amendment and the making of the 2017 Refinancing Term Loans, (i) no Default or Event of Default shall

have occurred and be continuing and (ii) all of the representations and warranties of each Loan Party contained in this Fourth Amendment, the Credit Agreement and the other Loan Documents are true and correct in all material respects before and after the effectiveness of this Fourth Amendment and the making of the 2017 Refinancing Term Loans or the application of the proceeds thereof; provided that, to the extent that such representations and warranties specifically refer to an earlier date, they shall be true and correct in all material respects as of such earlier date; provided further that any representation and warranty that is qualified as to "materiality," "Material Adverse Effect" or similar language shall be true and correct (after giving effect to any qualification therein) in all respects on and as of the Fourth Amendment Effective Date or such earlier date;

(d) the Administrative Agent shall have received a certificate executed by a Responsible Officer of the Borrower, certifying compliance with the requirements of the preceding clause (c);

(e) the Administrative Agent shall have received no fewer than three Business Days prior to the Fourth Amendment Effective Date (x) a Committed Loan Notice, duly executed by the Borrower, for the Borrowing of the 2017 Refinancing Term Loans pursuant to this Fourth Amendment and (y) a prepayment notice pursuant to Section 2.05(1)(a) of the Credit Agreement;

(f) there shall have been delivered to the Administrative Agent (A) certificates of good standing from the secretary of state of the state of organization of each Loan Party (to the extent such concept exists in such jurisdiction), customary certificates of resolutions or other action, incumbency certificates, (B) a certificate of a Responsible Officer of the Borrower (which may be contained in the same certificate as the certificate delivered pursuant to the preceding clause (e)), certifying that since the Third Amendment Effective Date, except as attached to such certificate, there have been no changes to the Organizational Documents of the Loan Parties and/or attaching copies of any such Organizational Documents that have changed since the Third Amendment Effective Date and (C) a solvency certificate from a Responsible Officer of the Borrower (after giving effect to the 2017 Refinancing Term Loans) substantially in the form attached to the Credit Agreement as Exhibit I; and

(g) the Administrative Agent shall have received an opinion from (i) Latham & Watkins LLP, special New York counsel to the Loan Parties and (ii) Faegre Baker Daniels LLP, special Minnesota counsel to the Loan Parties, in each case in form and substance reasonably satisfactory to the Administrative Agent and addressed to the Administrative Agent and the New Refinancing Term Loan Lenders.

(h) the Administrative Agent shall receive, simultaneously with such funding, funds sufficient to (i) prepay in full the principal amount of all Existing Term Loans (other than Converting Term Loans) 2017 Refinancing Term Loans pursuant to this Agreement) and (ii) pay, in connection therewith, all accrued and unpaid interest on all Existing Term Loans to the Fourth Amendment Effective Date.

SECTION 3. Representations and Warranties. To induce the Administrative Agent and the New Refinancing Term Loan Lenders party hereto to enter into this Fourth Amendment and each Refinancing Lender Consent, each of the Borrower and Holdings represents and warrants to the Administrative Agent and the New Refinancing Term Loan Lender party hereto on and as of the Fourth Amendment Effective Date:

(a) all of the representations and warranties of each Loan Party contained in the Credit Agreement and the other Loan Documents are true and correct in all material respects on and as of the Fourth Amendment Effective Date; provided that, to the extent that such representations and warranties specifically refer to an earlier date, they shall be true and correct in all material respects as of such earlier date; provided further that any representation and warranty that is qualified as to "materiality," "Material Adverse Effect" or similar language shall be true and correct (after giving effect to any qualification therein) in all respects on and as of the Fourth Amendment Effective Date or such earlier date; and

(b) no Default or Event of Default exists as of the Fourth Amendment Effective Date, or would result from the making of the 2017 Refinancing Term Loans or the application of the proceeds therefrom.

SECTION 4. Reaffirmation of Guaranty. Each Guarantor reaffirms its guarantee of the Guaranteed Obligations (as defined in the Guaranty) under the terms and conditions of the Guaranty and agrees that such guarantee remains in full force and effect and is hereby ratified, reaffirmed and confirmed. Each Guarantor hereby confirms that it consents to the terms of this Fourth Amendment, including, without limitation, the refinancing in full of the Existing Term Loans under the Credit Agreement in the form of 2017 Refinancing Term Loans and which constitute "Guaranteed Obligations" of such Guarantor under the Guaranty as amended by this Fourth Amendment. Each Guarantor hereby (i) confirms that each Loan Document to which it is a party or is otherwise bound will continue to guarantee to the fullest extent possible in accordance with the Loan Documents, the payment and performance of the Guaranteed Obligations, including without limitation the payment and performance of all such applicable Guaranteed Obligations that are joint and several obligations of each Guarantor now or hereafter existing; (ii) acknowledges and agrees that its Guaranty and each of the Loan Documents to which it is a party or otherwise bound shall continue in full force and effect and that all of its obligations thereunder shall be valid and enforceable and shall not be impaired or limited by the execution or effectiveness of the Fourth Amendment; and (iii) acknowledges, agrees and warrants for the benefit of the Administrative Agent and each Secured Party that there are no rights of set-off or counterclaim, nor any defenses of any kind, whether legal, equitable or otherwise, that would enable such Guarantor to avoid or delay timely performance of its obligations under the Loan Documents (except to the extent such obligations constitute Excluded Swap Obligations (as defined in the Guaranty) with respect to such Guarantor).

SECTION 5. Reaffirmation of Security Agreement.

(a) Each Loan Party hereby acknowledges that it has reviewed and consents to the terms and conditions of this Fourth Amendment and the transactions contemplated hereby, including, without limitation, the refinancing in full of the Existing Term Loans under the Credit Agreement in the form of 2017 Refinancing Term Loans. In addition, each Loan Party reaffirms the security interests granted by such Loan Party under the terms and conditions of the Security Agreement to secure the Obligations and agrees that such security interests remain in full force and effect and are hereby ratified, reaffirmed and confirmed. Each Loan Party hereby confirms that the security interests granted by such Loan Party under the terms and conditions of the Security Agreement secures the 2017 Refinancing Term Loans as part of the Obligations. Each Loan Party hereby (i) confirms that each Loan Document to which it is a party or is otherwise bound and all Collateral (as defined in the Security Agreement) encumbered thereby will continue to guarantee or secure, as the case may be, to the fullest extent possible in accordance with the Loan Documents, the payment and performance of the Obligations, as the case may be, including without limitation the payment and performance of all such applicable Obligations that are joint and several obligations of each Loan Party now or hereafter existing, (ii) confirms its respective grant to the Collateral Agent for the benefit of the Secured Parties of the security interest in and continuing Lien on all of such Loan Party's right, title and interest in, to and under all Collateral (as defined in the Security Agreement), whether now owned or existing or hereafter acquired or arising and wherever located, as collateral security for the prompt and complete payment and performance in full when due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise, of all applicable Obligations (including all such Obligations as amended, reaffirmed and/or increased pursuant to this Fourth Amendment), subject to the terms contained in the applicable Loan Documents, and (iii) confirms its respective guarantees, pledges, grants of security interests and other obligations, as applicable, under and subject to the terms of each of the Loan Documents to which it is a party.

(b) Each Loan Party acknowledges and agrees that each of the Loan Documents to which it is a party or otherwise bound shall continue in full force and effect and that all of its obligations thereunder shall be valid and enforceable and shall not be impaired or limited by the execution or effectiveness of this Fourth Amendment.

SECTION 6. Reference to and Effect on the Credit Agreement and the Loan Documents.

(a) This Fourth Amendment shall constitute both a Refinancing Amendment and a Loan Document under the Credit Agreement.

(b) On and after the Fourth Amendment Effective Date, (i) each reference in the Credit Agreement to "this Agreement," "hereunder," "hereof" or words of like import referring to the Credit Agreement shall mean and be a reference to the Credit Agreement, as amended by this Fourth Amendment, (ii) each New Refinancing Term Loan Lender shall constitute a "Lender" under (and as defined in) the Credit Agreement, (iii) the New Refinancing Term Loan Commitments shall constitute "Refinancing Commitments" and "Commitments" under (and as defined in) the Credit Agreement and (iv) the 2017 Refinancing Term Loans shall constitute "Closing Date Term Loans" under (and as defined in) the Credit Agreement.

(c) The Credit Agreement and each of the other Loan Documents, as specifically amended by this Fourth Amendment, are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed. Without limiting the generality of the foregoing, the Collateral Documents and all of the Collateral described therein do and shall continue to secure the payment of all Obligations of the Loan Parties under the Loan Documents, in each case, as amended by this Fourth Amendment.

(d) The execution, delivery and effectiveness of this Fourth Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any Lender or the Administrative Agent under any of the Loan Documents, nor constitute a waiver of any provision of any of the Loan Documents.

(e) Notwithstanding anything in the Credit Agreement to the contrary, the 2017 Refinancing Term Loans shall be funded as Eurodollar Rate Loans with an initial Interest Period ending on January 31, 2017.

(f) Each Converting Lender that executes and delivers a Refinancing Lender Consent electing the "Consent and Cashless Roll Option" shall be deemed to agree, upon the effectiveness of the Agreement on the Fourth Amendment Effective Date that (i) all (or such lesser amount as the Administrative Agent may allocate to such Lender) of its Existing Term Loans shall constitute 2017 Refinancing Term Loans under the Credit Agreement (each such 2017 Refinancing Term Loan, to such extent, a "**Cashless Converting Loan**") and (ii) it waives any right to receive its share of the prepayment of Existing Term Loans referred to in Section 2(h), solely to the extent to such Cashless Converting Loans.

(g) Each existing Term Lender that executes and delivers a Refinancing Lender Consent electing the "Consent and Assignment Option" shall be repaid in full (or such lesser amount as the Administrative Agent may allocate to such Term Lender) on the Fourth Amendment Effective Date, including for all accrued and unpaid interest, fees, expenses and other compensation owed to such Term

Lender and due and payable by the Borrower pursuant to the Credit Agreement and this Agreement. Each such Term Lender agrees that it shall be deemed to have executed an Assignment and Assumption pursuant to Section 10.07 of the Credit Agreement on the Fourth Amendment Effective Date and purchase a principal amount of 2017 Refinancing Term Loans in an amount equal to the principal amount of such repayment (or such lesser amount as the Administrative Agent may allocate to such Term Lender).

(h) This Fourth Amendment may not be amended, modified or waived except pursuant to a writing signed by each of the parties hereto.

SECTION 7. Governing Law. THIS FOURTH AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

SECTION 8. Counterparts. This Fourth Amendment may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Fourth Amendment by telecopy or other electronic imaging (including in .pdf format) means shall be effective as delivery of a manually executed counterpart of this Fourth Amendment.

SECTION 9. Electronic Execution. The words "execution," "signed," "signature," and words of like import in this Fourth Amendment or in any amendment or other modification hereof (including waivers and consents) shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

[*The remainder of this page is intentionally left blank.*]

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized officers to execute and deliver this Fourth Amendment as of the date first above written.

LIFE TIME FITNESS, INC., as Borrower

By: /s/ Bahram Akradi
Name: Bahram Akradi
Title: Chief Executive Officer

LTF INTERMEDIATE HOLDINGS, INC., as Holdings and Guarantor

By: /s/ Bahram Akradi
Name: Bahram Akradi
Title: President and Chief Executivc Officer

LTF CLUB OPERATIONS COMPANY, INC., as Guarantor,

By: /s/ Steve Kerzman
Name: Steve Kerzman
Title: President and Chief Executive Officer

LTF OPERATIONS HOLDINGS, INC., as Guarantor,

By: /s/ Bahram Akradi
Name: Bahram Akradi
Title: President and Chief Executive Officer

LTF MANAGEMENT SERVICES, LLC, as Guarantor,

By: /s/ Bahram Akradi
Name: Bahram Akradi
Title: President and Chief Executive Officer

LTF CONSTRUCTION COMPANY, LLC, as Guarantor,

By: /s/ Bahram Akradi
Name: Bahram Akradi
Title: President and Chief Executive Officer

LTF RESTAURANT COMPANY, LLC, as Guarantor,

By: /s/ Bahram Akradi
Name: Bahram Akradi
Title: President and Chief Executive Officer

LTF CLUB MANAGEMENT COMPANY, LLC, as Guarantor,

By: /s/ Bahram Akradi
Name: Bahram Akradi
Title: President and Chief Executive Officer

LTF CLUB OPERATIONS COMPANY, INC., as Guaranter

By: /s/ Steve Kerzman
Name: Steve Kerzman
Title: President and Chief Executive Officer

LTF OPERATIONS HOLDINGS, INC., as Guarantor,

By: /s/ Bahram Akradi
Name: Bahram Akradi
Title: President and Chief Executive Officer

LTF MANAGEMENT SERVICES, LLC, as Guarantor,

By: /s/ Bahram Akradi
Name: Bahram Akradi
Title: President and Chief Executive Officer

LTF CONSTRUCTION COMPANY, LLC, as Guarantor,

By: /s/ Bahram Akradi
Name: Bahram Akradi
Title: President and Chief Executive Officer

LTF RESTAURANT COMPANY, LLC, as Guarantor,

By: /s/ Bahram Akradi
Name: Bahram Akradi
Title: President and Chief Executive Officer

LTF CLUB MANAGEMENT COMPANY, LLC, as Guarantor,

By: /s/ Bahram Akradi
Name: Bahram Akradi
Title: President and Chief Executive Officer

LTF MINNETONKA RESTAURANT COMPANY, LLC,
as Guarantor,

By: /s/ Bahram Akradi
Name: Bahram Akradi
Title: President and Chief Executive Officer

LTF TRIATHLON SERIES, LLC, as Guarantor,

By: /s/ Bahram Akradi
Name: Bahram Akradi
Title: President and Chief Executive Officer

CHRONOTRACK SYSTEMS CORP., as Guarantor,

By: /s/ Steven Kerzman
Name: Steven Kerzman
Title: Treasurer

LTF ARCIIITECTURE, LLC, as Guarantor,

By: /s/ Bahram Akradi
Name: Bahram Akradi
Title: President and Chief Executive Officer

LTF LEASE COMPANY, LLC, as Guarantor,

By: /s/ Bahram Akradi
Name: Bahram Akradi
Title: Chief Executive Officer

LTF REAL ESTATE HOLDINGS, LLC, as Guarantor,

By: /s/ Bahram Akradi
Name: Bahram Akradi
Title: Chief Executive Officer

LTF MINNETONKA RESTAURANT COMPANY, LLC,
as Guarantor,

By: /s/ Bahram Akradi
Name: Bahram Akradi
Title: President and Chief Executive Officer

LTF TRIATHLON SERIES, LLC, as Guarantor,

By: /s/ Bahram Akradi
Name: Bahram Akradi
Title: President and Chief Executive Officer

CHRONOTRACK SYSTEMS CORP., as Guarantor,

By: /s/ Steven Kerzman
Name: Steven Kerzman
Title: Treasurer

LTF ARCHITECTURE, LLC, as Guarantor,

By: /s/ Bahram Akradi
Name: Bahram Akradi
Title: President and Chief Executive Officer

LTF LEASE COMPANY, LLC, as Guarantor,

By: /s/ Bahram Akradi
Name: Bahram Akradi
Title: Chief Executive Officer

LTF REAL ESTATE HOLDINGS, LLC, as Guarantor,

By: /s/ Bahram Akradi
Name: Bahram Akradi
Title: Chief Executive Officer

LTF REAL ESTATE COMPANY, INC., as Guarantor,

By: /s/ Bahram Akradi
Name: Bahram Akradi
Title: President and Chief Executive Officer

LTF EDUCATIONAL PROGRAMS, LLC, as Guarantor,

By: /s/ Bahram Akradi
Name: Bahram Akradi
Title: President and Chief Executivc Officer

LTF GROUND LEASE COMPANY, LLC, as Guarantor,

By: /s/ Bahram Akradi
Name: Bahram Akradi
Title: President and Chief Executive Officer

DEUTSCHE BANK AG NEW YORK BRANCH, as Administrative Agent, Collateral Agent, Revolving Lender and Term Lender

By: /s/ Mary Kay Coyle
Name: Mary Kay Coyle
Title: Managing Director

By: /s/ Peter Cucchiara
Name: Peter Cucchiara
Title: Vice President

[Signature Page to Fourth Amendment to Credit Agreement]

SCHEDULE A

NEW REFINANCING TERM LOAN COMMITMENT SCHEDULE

New Refinancing Term Loan Lender	New Refinancing Term Loan Commitment
DEUTSCHE BANK AG NEW YORK BRANCH	$ 68,727,991.21
Total	$ 68,727,991.21

ANNEX II

AMENDMENTS TO CREDIT AGREEMENT

[Changed pages to Credit Agreement follow]

EXECUTION VERSION

(conformed to (i) Technical Amendment No. 1,
dated as of July 21, 2015, (ii) Technical Amendment No. 2
dated as of September 14, 2015, (iii) Third Amendment
to the Credit Agreement dated as of June 9, 2016 and (iv)
Fourth Amendment to the Credit Agreement dated as of January 27, 2017)

Published CUSIP Numbers:
DEAL CUSIP: 50218KAA6
REVOLVER CUSIP: 50218KAC2
TERM FACILITY CUSIP: 50218KAB4

~~$1,500,000,000~~
CREDIT AGREEMENT

Dated as of June 10, 2015

among

LTF INTERMEDIATE HOLDINGS, INC.,
as Holdings,

LTF MERGER SUB, INC.,
as Initial Borrower,

U.S. BANK NATIONAL ASSOCIATION
as Issuing Bank and Swing Line Lender,

DEUTSCHE BANK AG NEW YORK BRANCH,
as Administrative Agent and Collateral Agent,

and

THE OTHER LENDERS PARTY HERETO

DEUTSCHE BANK SECURITIES INC.,
GOLDMAN SACHS BANK USA,
JEFFERIES FINANCE LLC,
BMO CAPITAL MARKETS CORP.,
RBC CAPITAL MARKETS,
MACQUARIE CAPITAL (USA) INC.,
NOMURA SECURITIES INTERNATIONAL, INC.
and

MIZUHO BANK, LTD.,
as Joint Lead Arrangers and Joint Lead Bookrunners

Table of Contents

CREDIT AGREEMENT

This CREDIT AGREEMENT (this "**Agreement**") is entered into as of June 10, 2015, by and among LTF INTERMEDIATE HOLDINGS, INC., a Delaware corporation ("**Holdings**"), LTF MERGER SUB, INC., a Minnesota corporation and direct subsidiary of Holdings ("**Merger Sub**" or "**Initial Borrower**"), U.S. BANK NATIONAL ASSOCIATION ("**US Bank**"), as Issuing Bank and Swing Line Lender, DEUTSCHE BANK AG NEW YORK BRANCH ("**DBNY**"), as administrative agent (in such capacity, including any successor thereto, the "**Administrative Agent**") and as collateral agent (in such capacity, including any successor thereto, the "**Collateral Agent**") under the Loan Documents, and each lender from time to time party hereto (collectively, the "**Lenders**" and individually, a "**Lender**").

PRELIMINARY STATEMENTS

Pursuant to the Transaction Agreement (as defined in Section 1.01 below), Merger Sub will merge (the "**Merger**") with and into Life Time Fitness, Inc., a Minnesota corporation (the "**Acquired Company**"), which will survive the Merger and succeed to all the rights and obligations of the Initial Borrower under this Agreement and the other Loan Documents (such successor, or "**Life Time**").

In connection therewith, the Borrower has requested that (a) substantially simultaneously with the consummation of the Merger, the Lenders extend credit to the Borrower in the form of $1,250.0 million of Closing Date Term Loans and $250.0 million of Revolving Commitments on the Closing Date as secured credit facilities and (b) from time to time on and after the Closing Date, the Lenders lend to the Borrower and the Issuing Banks issue Letters of Credit for the account of the Borrower, each to provide working capital for, and for other general corporate purposes of, the Borrower and its Restricted Subsidiaries, pursuant to the Revolving Commitments hereunder and pursuant to the terms of, and subject to the conditions set forth in, this Agreement.

On the Closing Date, the Borrower will enter into the Senior Notes Indenture pursuant to which the Borrower shall issue the Senior Notes in an aggregate principal amount of up to $450.0 million.

The proceeds of the Closing Date Term Loans and the Closing Date Revolving Borrowings, together with the proceeds of the Senior Notes and the Equity Contribution, will be used on the Closing Date (i) to repay Indebtedness incurred under the Existing Credit Agreement and certain other Indebtedness and (ii) to pay (A) any original issue discount or upfront fees resulting from the exercise of any "market flex" pursuant to the Fee Letter in connection with the Transactions, (B) the Transaction Consideration, (C) the Transaction Expenses and (D) amounts required for working capital.

The applicable Lenders have indicated their willingness to lend, and the applicable Issuing Banks have indicated their willingness to issue Letters of Credit, in each case on the terms and subject to the conditions set forth herein.

In consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows:

ARTICLE I

Definitions and Accounting Terms

SECTION 1.01 Defined Terms. As used in this Agreement, the following terms have the meanings set forth below:

"**2017 Refinancing Term Lender**" means, at any time, each Lender with a 2017 Refinancing Term Loan Commitment or, after the 2017 Refinancing Term Loans are made or issued, holding a 2017 Refinancing Term Loan at such time.

"**2017 Refinancing Term Loan**" shall mean the "2017 Refinancing Term Loans" as defined in, and made and/or converted in accordance with Amendment No. 4.

"**2017 Refinancing Term Loan Commitment**" means, for any 2017 Refinancing Term Lender, the amount set forth opposite such 2017 Refinancing Term Lender's name on Schedule A to Amendment No. 4. The initial aggregate amount of the 2017 Refinancing Term Loan Commitments is $1,330,494,332.49.

"**Acceptable Discount**" has the meaning specified in Section 2.05(1)(e)(D)(2).

"**Acceptable Prepayment Amount**" has the meaning specified in Section 2.05(1)(e)(D)(3).

"**Acceptance and Prepayment Notice**" means a notice of the Borrower's acceptance of the Acceptable Discount in substantially the form of Exhibit M.

"**Acceptance Date**" has the meaning specified in Section 2.05(1)(e)(D)(2).

"**Acquired Company**" has the meaning specified in the preliminary statements of this Agreement.

"**Acquired Indebtedness**" means, with respect to any specified Person,

(1) Indebtedness of any other Person existing at the time such other Person is merged, consolidated or amalgamated with or into or became a Restricted Subsidiary of such specified Person, including Indebtedness incurred in connection with, or in contemplation of, such other Person merging, amalgamating or consolidating with or into, or becoming a Restricted Subsidiary of, such specified Person, and

(2) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

"**Additional Lender**" means, at any time, any bank, other financial institution or institutional lender or investor that, in any case, is not an existing Lender and that agrees to provide any portion of any (a) Incremental Loan in accordance with Section 2.14, (b) Loans pursuant to a Refinancing Amendment in accordance with Section 2.15 or (c) Replacement Loans pursuant to Section 10.01; *provided* that each Additional Lender (other than any Person that is a Lender, an Affiliate of a Lender or an Approved Fund of a Lender at such time) shall be subject to the approval of the Administrative Agent, the Swing Line Lender or the Issuing Bank(s) (such approval not to be unreasonably withheld, conditioned or delayed), in each case solely to the extent that any such consent would be required from the Administrative Agent, the Swing Line Lender or the Issuing (s) under Section 10.07(b)(iii) for an assignment of Loans to such Additional Lender.

"**Adjusted EBITDA**" means, with respect to any Person for any period, the Consolidated Net Income of such Person and its Restricted Subsidiaries for such period:

(1) increased (without duplication) by the following, in each case (other than clauses (h), (l) and (m)) to the extent deducted (and not added back) in determining Consolidated Net Income for such period:

(a) total interest expense and, to the extent not reflected in such total interest expense, any losses on Hedging Obligations or other derivative instruments entered into for the purpose of hedging interest rate risk, net of interest income and gains on such Hedging Obligations or such derivative instruments, and bank and letter of credit fees and costs of surety bonds in connection with financing activities, together with items excluded from the definition of "Consolidated Interest Expense" pursuant to the definition thereof; *plus*

"**Amendment No. 4**" shall mean the Refinancing Amendment to this Agreement dated as of January 27, 2017 among the Borrower, the Subsidiary Guarantors party thereto, the 2017 Refinancing Term Lenders party thereto and the Administrative Agent.

"**Amendment No. 4 Effective Date**" means January 27, 2017.

"**Annual Financial Statements**" means the audited consolidated balance sheets of the Acquired Company as of the fiscal years ended December 31, 2014, December 31, 2013 and December 31, 2012, and the related consolidated statements of operations, changes in stockholders' equity and cash flows for the Acquired Company for the fiscal years then ended.

"**Applicable Discount**" has the meaning specified in Section 2.05(1)(e)(C)(2).

"**Applicable Rate**" means a percentage per annum equal to:

(a) with respect to ~~Closing Date~~2017 Refinancing Term Loans, (i) ~~3.25~~3.00% for Eurodollar Rate Loans and (ii) ~~2.25~~2.00% for Base Rate Loans.

(b) with respect to Revolving Loans and unused Revolving Commitments under the Closing Date Revolving Facility and Letter of Credit fees (i) until delivery of financial statements for the first full fiscal quarter ending after the Closing Date pursuant to Section 6.01, (A) 3.25% for Eurodollar Rate Loans, CDOR Loans and Letter of Credit fees, (B) 2.25% for Base Rate Loans and (C) 0.500% Commitment Fee Rate for unused Revolving Commitments and (ii) thereafter, the following percentages per annum, based upon the First Lien Net Leverage Ratio as specified in the most recent Compliance Certificate received by the Administrative Agent pursuant to Section 6.02(1):

Pricing Level	First Lien Net Leverage Ratio	Eurodollar Rate, CDOR Rate and Letter of Credit Fees	Base Rate	Commitment Fee Rate
1	> 3.50 to 1.00	3.25%	2.25%	0.500%
2	£ 3.50 to 1.00	3.00%	2.00%	0.375%

Any increase or decrease in the Applicable Rate resulting from a change in the First Lien Net Leverage Ratio shall become effective as of the first Business Day immediately following the date a Compliance Certificate is delivered pursuant to Section 6.02(1); *provided* that "Pricing Level 1" (as set forth above) shall apply as of (x) the first Business Day after the date on which a Compliance Certificate was required to have been delivered but was not delivered, and shall continue to so apply to and including the date on which such Compliance Certificate is so delivered (and thereafter the pricing level otherwise determined in accordance with this definition shall apply) and (y) at the option of the Administrative Agent or the Required Revolving Lenders under the Closing Date Revolving Facility, the first Business Day after an Event of Default under Section 8.01(1) shall have occurred and be continuing, and shall continue to so apply to but excluding the date on which such Event of Default is cured or waived (and thereafter the pricing level otherwise determined in accordance with this definition shall apply). Notwithstanding anything to the contrary set forth herein, the provisions of this clause (b) may be amended or waived with the consent of only the Borrower and the Required Revolving Lenders.

(c) with respect to any Term Loans (other than Closing Date Term Loans), as specified in the applicable Incremental Amendment, Extension Amendment or Refinancing Amendment.

"**Appropriate Lender**" means, at any time, (a) with respect to Loans of any Class, the Lenders of such Class and (b) with respect to Letters of Credit, (i) the relevant Issuing Banks and (ii) the relevant Revolving Lenders.

"**Approved Fund**" means, with respect to any Lender, any Fund that is administered, advised or managed by (a) such Lender, (b) an Affiliate of such Lender or (c) an entity or an Affiliate of an entity that administers, advises or manages such Lender.

"**Arrangers**" means DBSI, Goldman Sachs, Jefferies, BMOC, RBC, Macquarie Capital, Nomura and Mizuho, each in its capacity as a joint lead arranger under this Agreement, and, in connection with the 2017 Refinancing Term Loans and solely for purposes of Sections 9.03, 10.04 and 10.05 herein, Guggenheim Securities, LLC.

"**Asset Sale**" means:

(1) the sale, conveyance, transfer or other disposition, whether in a single transaction or a series of related transactions of property or assets of the Borrower or any Restricted Subsidiary (each referred to in this definition as a "**disposition**"); or

(2) the issuance or sale of Equity Interests (other than Preferred Stock or Disqualified Stock of Restricted Subsidiaries issued in compliance with Section 7.02 and directors' qualifying shares or shares or interests required to be held by foreign nationals or other third parties to the extent required by applicable law) of any Restricted Subsidiary (other than to the Borrower or another Restricted Subsidiary), whether in a single transaction or a series of related transactions;

in each case, other than:

(a) any disposition of:

(i) Cash Equivalents or Investment Grade Securities,

(ii) obsolete, damaged or worn out property or assets in the ordinary course of business or consistent with industry practice or any disposition of inventory or goods (or other assets) held for sale or no longer used or useful in the ordinary course,

(iii) assets no longer economically practicable or commercially reasonable to maintain (as determined in good faith by the management of the Borrower),

(iv) improvements made to leased real property to landlords pursuant to customary terms of leases entered into in the ordinary course of business and

(v) assets for purposes of charitable contributions or similar gifts to the extent such assets are not material to the ability of the Borrower and its Restricted Subsidiaries, taken as a whole, to conduct its business in the ordinary course;

(b) the disposition of all or substantially all of the assets of the Borrower in a manner permitted pursuant to Section 7.03;

(c) any disposition in connection with the making of any Restricted Payment that is permitted to be made, and is made, under Section 7.04, any Permitted Investment or any acquisition otherwise permitted under this Agreement;

(d) any disposition of property or assets or issuance or sale of Equity Interests of any Restricted Subsidiary with an aggregate fair market value of less than (i) $5.0 million for any individual transaction or series of related transactions and (ii) $10.0 million for all such transactions in any fiscal year;

(4) Holdings shall cease to be the registered owner of 100% of the Equity Interests of the Borrower;

unless, in the case of clause (1) or (2) above, the Permitted Holders have, at such time, the right or the ability by voting power, contract or otherwise to elect or designate for election at least a majority of the board of directors of the Borrower or any Parent Company.

"**Claim**" means any actions, suits or written demands or claims.

"**Class**" means (i) with respect to Commitments or Loans, those of such Commitments or Loans that have the same terms and conditions (without regard to differences in the Type of Loan, Interest Period, upfront fees, OID or similar fees paid or payable in connection with such Commitments or Loans, or differences in tax treatment (e.g., "fungibility")) and (ii) with respect to Lenders, those of such Lenders that have Commitments or Loans of a particular Class.

"**Closing Date**" means the first date on which all the conditions precedent in Section 4.01 are satisfied or waived in accordance with Section 10.01, and the Closing Date Term Loans are made to the Borrower pursuant to Section 2.01(1)(a), which date was June 10, 2015.

"**Closing Date Loans**" means the Closing Date Term Loans and any Closing Date Revolving Borrowing.

"**Closing Date Material Adverse Effect**" means a "Company Material Adverse Effect" as defined in the Transaction Agreement.

"**Closing Date Refinancing**" means the repayment of all Indebtedness of the Acquired Company and its Subsidiaries with respect to which the Transaction Agreement requires the delivery of a payoff letter.

"**Closing Date Revolving Borrowing**" means a borrowing of Revolving Loans on the Closing Date, not to exceed the amount(s) (i) to pay Transaction Expenses in an amount not to exceed $20.0 million, *plus* (ii) for working capital purposes, *plus* (iii) to fund any original issue discount or upfront fees in connection with the Transactions resulting from the exercise of any "market flex" pursuant to the Fee Letter; *provided* that Letters of Credit may be issued on the Closing Date to backstop or replace letters of credit, guarantees and performance or similar bonds outstanding on the Closing Date (including deemed issuances of Letters of Credit under this Agreement resulting from an existing issuer of letters of credit outstanding on the Closing Date agreeing to become an Issuing Bank under this Agreement).

"**Closing Date Revolving Facility**" means the Revolving Facility made available by the Revolving Lenders as of the Closing Date.

"**Closing Date Term Loan Commitment**" means, as to each Term Lender, its obligation to make a Closing Date Term Loan to the Borrower in an aggregate amount not to exceed the amount specified opposite such Lender's name under on Schedule 2.01 under the caption "Closing Date Term Loan Commitment" or in the Assignment and Assumption (or Affiliated Lender Assignment and Assumption) pursuant to which such Term Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement (including pursuant to Section 2.14, 2.15 or 2.16). The initial aggregate amount of the Closing Date Term Loan Commitments ~~is~~as of June 10, 2015 was $1,250.00 million.

"**Closing Date Term Loans**" means the Term Loans made by the Lenders on the Closing Date~~to the Borrower~~ pursuant to Section 2.01(1)~~.~~(a) or pursuant to Amendment No. 4, as applicable. For the avoidance of doubt, the 2017 Refinancing Term Loans shall constitute Closing Date Term Loans.

receivership, insolvency, reorganization or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

"**Declined Proceeds**" has the meaning specified in Section 2.05(2)(g).

"**Default**" means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

"**Default Rate**" means an interest rate (a) with respect to any Eurodollar Rate Loan or Base Rate Loan, equal to (1) the Base Rate*plus* (2) the Applicable Rate applicable to Base Rate Loans, that are Revolving Loans*plus* (3) 2.00% per annum and (b) with respect to any Loan accruing interest based on the CDOR Rate, equal to the Canadian Base Rate, plus (2) the Applicable Rate applicable to Revolving Loans accruing interest based on the CDOR Rate plus (3) 2.00% per annum; *provided* that with respect to the outstanding principal amount of any Loan, the Default Rate shall be an interest rate equal to the interest rate (including any Applicable Rate) otherwise applicable to such Loan (giving effect to Section 2.02(3)) *plus* 2.00% per annum, in each case, to the fullest extent permitted by applicable Laws.

"**Defaulting Lender**" means, subject to Section 2.17(2), any Lender (including any Issuing Bank) that (a) has failed to perform any of its funding obligations hereunder, including in respect of its Loans or participations in respect of L/C Obligations or Swing Line Loans, within one Business Day of the date required to be funded by it hereunder, (b) has notified the Borrower or the Administrative Agent that it does not intend to comply with its funding obligations or has made a public statement to that effect with respect to its funding obligations hereunder or under other agreements in which it commits to extend credit, (c) has failed, within three (3) Business Days after request by the Administrative Agent, to confirm in a manner satisfactory to the Administrative Agent that it will comply with its funding obligations or (d) has, or has a direct or indirect parent company that has, (i) become or is the subject of a proceeding under any Debtor Relief Law or Bail-In Action, (ii) had a receiver, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets or a custodian appointed for it or (iii) taken any action in furtherance of, or indicated its consent to, approval of or acquiescence in any such proceeding or appointment; *provided* that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under this definition shall be conclusive absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.17) upon delivery of written notice of such determination to the Borrower and each Lender.

"**Designated Non-Cash Consideration**" means the fair market value of non-cash consideration received by the Borrower or a Restricted Subsidiary in connection with an Asset Sale that is so designated as Designated Non-Cash Consideration pursuant to an Officer's Certificate, setting forth the basis of such valuation, *less* the amount of cash or Cash Equivalents received in connection with a subsequent sale, redemption or repurchase of or collection or payment on such Designated Non-Cash Consideration.

"**Designated Preferred Stock**" means Preferred Stock of the Borrower, any Restricted Subsidiary thereof or any Parent Company (in each case other than Disqualified Stock) that is issued for cash (other than to a Restricted Subsidiary or an employee stock ownership plan or trust established by the Borrower or any of its Subsidiaries) and is so designated as Designated Preferred Stock, pursuant to an Officer's Certificate, on or promptly after the issuance date thereof, the cash proceeds of which are excluded from the calculation set forth in clause (3) of Section 7.05(a).

"**Designated Revolving Commitments**" means any commitments to make loans or extend credit on a revolving basis to the Borrower or any Restricted Subsidiary by any Person other than the Borrower or any Restricted Subsidiary that have been designated in an Officer's Certificate delivered to the Administrative

"**Related Indemnified Person**" of an Indemnitee means (1) any controlling Person or controlled Affiliate of such Indemnitee, (2) the respective directors, officers or employees of such Indemnitee or any of its controlling Persons or controlled Affiliates and (3) the respective agents of such Indemnitee or any of its controlling Persons or controlled Affiliates, in the case of this clause (3), acting at the instructions of such Indemnitee, controlling Person or such controlled Affiliate; *provided* that each reference to a controlled Affiliate or controlling Person in this definition pertains to a controlled Affiliate or controlling Person involved in the negotiation of this Agreement or the syndication of the Facilities. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise.

"**Related Person**" means, with respect to any Person, (a) any Affiliate of such Person and (b) the respective directors, officers, employees, agents and other representatives of such Person or any of its Affiliates.

"**Release**" means any release, spill, emission, discharge, deposit, disposal, leaking, pumping, pouring, dumping, emptying, injection or leaching into the Environment.

"**Replaced Loans**" has the meaning specified in Section 10.01.

"**Replacement Loans**" has the meaning specified in Section 10.01.

"**Reportable Event**" means, with respect to any Pension Plan, any of the events set forth in Section 4043(c) of ERISA or the regulations issued thereunder, other than events for which the thirty (30) day notice period has been waived.

"**Repricing Transaction**" means (1) the incurrence by the Borrower of any Indebtedness (including any new or additional Term Loans under this Agreement, whether incurred directly or by way of the conversion of the ~~Closing Date~~2017 Refinancing Term Loans into a new tranche of replacement Term Loans under this Agreement) (a) having an All-In Yield that is less than the All-In Yield applicable to the ~~Closing Date~~2017 Refinancing Term Loans of the respective Type and (b) the proceeds of which are used to prepay (or, in the case of a conversion, deemed to prepay or replace), in whole or in part, the outstanding principal of the ~~Closing Date~~2017 Refinancing Term Loans or (2) any effective reduction in the All-In Yield applicable to the ~~Closing Date~~2017 Refinancing Term Loans (e.g., by way of amendment, waiver or otherwise); provided that a Repricing Transaction shall not include (i) any event described in clause (1) or (2) above that is not consummated for the primary purpose of lowering the All-In Yield applicable to the ~~Closing Date~~2017 Refinancing Term Loans (as determined in good faith by the Borrower), including any such event consummated in connection with a Change of Control, Qualifying IPO or Enterprise Transformative Event or (ii) any Sale- Leaseback Transaction.

"**Request for Credit Extension**" means (a) with respect to a Borrowing, conversion or continuation of Term Loans or Revolving Loans, a Committed Loan Notice, (b) with respect to an L/C Credit Extension, a L/C Application and (c) with respect to a Swing Line Loan, a Swing Line Loan Notice.

"**Required Facility Lenders**" means, as of any date of determination, with respect to one or more Facilities (other than any Revolving Facility), Lenders having more than 50% of the sum of the (a) aggregate principal amount of outstanding Loans under such Facility or Facilities and (b) aggregate unused Commitments under such Facility or Facilities; *provided* that (i) to the same extent specified in Section 10.07(i) with respect to determination of Required Lenders, the Loans of any Affiliated Lender shall in each case be excluded for purposes of making a determination of Required Facility Lenders unless the action in question affects such Affiliated Lender in a disproportionately adverse manner than its effect on the other Lenders and (ii) the portion of outstanding Loans and the unused Commitments of any such Facility, as

SECTION 1.11 Letters of Credit. Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the amount of the stated amount of such Letter of Credit in effect at such time after giving effect to any automatic reductions to such stated amount pursuant to the terms of the applicable Letter of Credit after the occurrence of any applicable condition (including the expiration of any applicable period); *provided*, *however*, that with respect to any Letter of Credit that, by its terms or the terms of any Issuing Bank Document related thereto, provides for one or more automatic increases in the stated amount thereof, the amount of such Letter of Credit shall be deemed to be the amount of the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at such time.

ARTICLE II

The Commitments and Borrowings

SECTION 2.01 The Loans.

(1) Term Borrowings. Subject to the terms and conditions set forth in Section 4.01 hereof, each Term Lender severally agrees(a) to make to the Borrower on the Closing Date one or more Closing Date Term Loans denominated in Dollars in an aggregate principal amount equal to such Term Lender's Closing Date Term Commitment on the Closing Date and (b) to make to the Borrower on the Amendment No. 4 Effective Date one or more 2017 Refinancing Term Loans denominated in Dollars in an aggregate principal amount equal to such Term Lender's 2017 Refinancing Term Loan Commitment on the Amendment No. 4 Effective Date. Amounts borrowed under this Section 2.01(1) and repaid or prepaid may not be reborrowed. The Closing Date Term Loans may be Base Rate Loans or Eurodollar Rate Loans, as further provided herein.

(2) Revolving Borrowings. Subject to the terms and conditions set forth herein, each Revolving Lender severally agrees to make loans denominated in Dollars or one or more Alternative Currencies pursuant to Section 2.02 from its applicable Lending Office (each such loan, a "**Revolving Loan**") to the Borrower from time to time, on any Business Day during the period from the Closing Date until the Maturity Date, in an aggregate principal Dollar Amount not to exceed at any time outstanding the amount of such Lender's Revolving Commitment; *provided* that after giving effect to any Revolving Borrowing, (a) the aggregate principal Dollar Amount of Total Revolving Outstandings denominated in Canadian Dollars will not exceed $25.0 million and (b) the aggregate Outstanding Amount of the Revolving Loans of any Lender, plus such Lender's Pro Rata Share or other applicable share provided for under this Agreement of the Outstanding Amount of all L/C Obligations, *plus*, in the case of each Lender other than the Swing Line Lender, such Lender's Pro Rata Share or other applicable share provided for under this Agreement of the Outstanding Amount of all Swing Line Loans, shall not exceed such Lender's Revolving Commitment. Within the limits of each Lender's Revolving Commitment, and subject to the other terms and conditions hereof, the Borrower may borrow under this Section 2.01(2), prepay under Section 2.05 and reborrow under this Section 2.01(2). Revolving Loans may be Base Rate Loans, Eurodollar Rate Loans or CDOR Loans, as further provided herein.

SECTION 2.02 Borrowings, Conversions and Continuations of Loans.

(1) Each Term Borrowing, each Revolving Borrowing, each conversion of Term Loans or Revolving Loans from one Type to the other, and each continuation of Eurodollar Rate Loans and CDOR Loans shall be made upon the Borrower's irrevocable notice, on behalf of the Borrower, to the Administrative Agent (*provided* that the notice in respect of the initial Credit Extension, or in connection with any Permitted Acquisition or other transaction permitted under this Agreement, may be conditioned on the closing of the Merger or such Permitted Acquisition or other transaction, as applicable), which may be given by telephone. Each such notice must be received by the Administrative Agent not later than 12:00 p.m., New York time, (a) three (3) Business Days prior to the requested date of any Borrowing or continuation of Eurodollar Rate Loans or CDOR Loans or any conversion of Base Rate Loans to Eurodollar Rate Loans and (b) on the requested date of any Borrowing of Base Rate Loans; *provided* that the notice referred to in subclause (a) above may be delivered on or prior to the Closing Date in the case of the Closing Date Term Loans. Each telephonic notice

(a) any such notice shall be received by the Administrative Agent three (3) Business Days prior to the date of termination or reduction,

(b) any such partial reduction shall be in an aggregate amount of $5.0 million or any whole multiple of $1.0 million in excess thereof or, if less, the entire amount thereof and

(c) if, after giving effect to any reduction of the Commitments, the L/C Sublimit or Swing Line Sublimit exceeds the amount of the Revolving Facility, such sublimit shall be automatically reduced by the amount of such excess.

Except as provided above, the amount of any such Revolving Commitment reduction shall not be applied to the L/C Sublimit or Swing Line Sublimit unless otherwise specified by the Borrower. Notwithstanding the foregoing, the Borrower may rescind or postpone any notice of termination of any Commitments if such termination would have resulted from a refinancing of all of the applicable Facility, which refinancing shall not be consummated or otherwise shall be delayed.

(2) Mandatory. The Closing Date Term Commitment of each Term Lender on the Closing Date and the 2017 Refinancing Term Loan Commitment of each 2017 Refinancing Term Lender on the Amendment No. 4 Effective Date shall be automatically and permanently reduced to $0 upon the making of such Lender's Closing Date Term Loans or 2017 Refinancing Term Loans, respectively, to the Borrower pursuant to Section 2.01(1). The Revolving Commitment of each Revolving Lender shall automatically and permanently terminate on the Maturity Date for the applicable Revolving Facility.

(3) Application of Commitment Reductions; Payment of Fees. The Administrative Agent will promptly notify the Appropriate Lenders of any termination or reduction of unused portions of the L/C Sublimit, Swing Line Sublimit or the unused Commitments of any Class under this Section 2.06. Upon any reduction of unused Commitments of any Class, the Commitment of each Lender of such Class shall be reduced by such Lender's Pro Rata Share or other applicable share provided for under this Agreement of the amount by which such Commitments are reduced (other than the termination of the Commitment of any Lender as provided in Section 3.07). Any commitment fees accrued until the effective date of any termination of the Revolving Commitments shall be paid on the effective date of such termination.

SECTION 2.07 Repayment of Loans.

(1) Term Loans. The Borrower shall repay to the Administrative Agent for the ratable account of the Appropriate Lenders as follows:

(a) on the last Business Day of each March, June, September and December an aggregate principal amount equal to the amount corresponding to such fiscal quarter in the table below (which payments shall be reduced as a result of the application of prepayments in accordance with the order of priority set forth in Section 2.05):[1]

Fiscal Quarter Ended		Principal Amount to be Repaid
~~September 30, 2015~~	~~$~~	~~3,125,000.00~~
~~December 31, 2015~~	~~$~~	~~3,125,000.00~~
~~March 31, 2016~~	~~$~~	~~3,125,000.00~~

[1] NTD: 0.25% of the aggregate principal amount of the term loans on the refinancing effective date.

~~June 30, 2016~~	~~$ 3,376,889.17~~
~~September 31, 2016~~	~~$ 3,376,889.17~~
~~December 31, 2016~~	~~$ 3,376,889.17~~
March 31, 2017	$ ~~3,376,889.17~~3,326,235.83
June 30, 2017	$ ~~3,376,889.17~~3,326,235.83
September 31, 2017	$ ~~3,376,889.17~~3,326,235.83
December 31, 2017	$ ~~3,376,889.17~~3,326,235.83
March 31, 2018	$ ~~3,376,889.17~~3,326,235.83
June 30, 2018	$ ~~3,376,889.17~~3,326,235.83
September 31, 2018	$ ~~3,376,889.17~~3,326,235.83
December 31, 2018	$ ~~3,376,889.17~~3,326,235.83
March 31, 2019	$ ~~3,376,889.17~~3,326,235.83
June 30, 2019	$ ~~3,376,889.17~~3,326,235.83
September 31, 2019	$ ~~3,376,889.17~~3,326,235.83
December 31, 2019	$ ~~3,376,889.17~~3,326,235.83
March 31, 2020	$ ~~3,376,889.17~~3,326,235.83
June 30, 2020	$ ~~3,376,889.17~~3,326,235.83
September 31, 2020	$ ~~3,376,889.17~~3,326,235.83
December 31, 2020	$ ~~3,376,889.17~~3,326,235.83
March 31, 2021	$ ~~3,376,889.17~~3,326,235.83
June 30, 2021	$ ~~3,376,889.17~~3,326,235.83
September 31, 2021	$ ~~3,376,889.17~~3,326,235.83
December 31, 2021	$ ~~3,376,889.17~~3,326,235.83
March 31, 2022	$ ~~3,376,889.17~~3,326,235.83

; and

(b) on the Maturity Date for the Term Loans, the aggregate principal amount of all Term Loans outstanding on such date. In connection with any Incremental Term Loans that constitute part of the same Class as the Closing Date Term Loans, the Borrower and the Administrative Agent shall be permitted to adjust the rate of prepayment in respect of such Class such that the Term Lenders holding Closing Date Term Loans comprising part of such Class continue to receive a payment that is

(b) the Weighted Average Life to Maturity of such Incremental Term Loans will be no shorter than the longest remaining Weighted Average Life to Maturity of the Closing Date Term Loans;

(c) such Incremental Term Loans may participate on a *pro rata* basis or a less than *pro rata* basis (but not greater than a *pro rata* basis) in any mandatory repayments or prepayments of the Term Loans (in each case, other than pursuant to a refinancing or with respect to greater than *pro rata* payments to an earlier maturing tranche) and may participate on a *pro rata* basis, less than *pro rata* basis or greater than *pro rata basis* in any voluntary prepayments of the Term Loans; and

(d) except as otherwise set forth herein, all other terms of any (i) Term Loan Increase or a Revolving Commitment Increase will be on terms and pursuant to documentation applicable to the Class of Term Loans or Revolving Commitments, as applicable, being increased by such Term Loan Increase or Revolving Commitment Increase, as applicable, and (ii) Incremental Facility shall be on terms and pursuant to documentation to be determined by the Borrower and the providers of such Incremental Facility, *provided* that, in each case, the operational and agency provisions contained in such documentation shall be reasonably satisfactory to the Administrative Agent

(8) Pricing. The interest rate, fees, and original issue discount for any Incremental Facilities will be as determined by the Borrower and the Persons providing such Incremental Facilities; *provided* that in the event that the All-In Yield applicable to any Incremental Term Loans exceeds the All-In Yield of any ~~Closing Date~~2017 Refinancing Term Loans by more than 50 basis points, then the interest rate margins for such~~Closing Date~~2017 Refinancing Term Loans shall be increased to the extent necessary so that the All-In Yield of such ~~Closing Date~~2017 Refinancing Term Loans is equal to the All-In Yield of such Incremental Term Loans *minus* 50 basis points; *provided further* that any increase in All-In Yield of the ~~Closing Date~~2017 Refinancing Term Loans due to the increase in a Eurodollar Rate or Base Rate floor on any Incremental Term Loan shall be effected solely through an increase in any Eurodollar Rate or Base Rate floor applicable to such ~~Closing Date~~2017 Refinancing Term Loans.

(9) Reallocation of Revolving Exposure. Upon each Revolving Commitment Increase pursuant to this Section 2.14,

(a) each Revolving Lender immediately prior to such increase will automatically and without further act be deemed to have assigned to each lender providing a portion of such increase (each an "**Incremental Revolving Lender**"), and each such Incremental Revolving Lender will automatically and without further act be deemed to have assumed, a portion of such Revolving Lender's participations hereunder in outstanding Letters of Credit and Swing Line Loans such that, after giving effect to each such deemed assignment and assumption of participations, the percentage of the aggregate outstanding participations hereunder in Letters of Credit and Swing Line Loans held by each Revolving Lender will equal the percentage of the aggregate Revolving Commitments of all Lenders represented by such Revolving Lender's Revolving Commitments; and

(b) if, on the date of such increase, there are any Revolving Loans outstanding, such Revolving Loans shall on or prior to the effectiveness of such Incremental Revolving Facility be prepaid from the proceeds of Incremental Revolving Loans made hereunder (reflecting such increase in Revolving Commitments), which prepayment shall be accompanied by accrued interest on the Revolving Loans being prepaid and any costs incurred by any Revolving Lender in accordance with Section 3.05.

(10) The Administrative Agent and the Lenders hereby agree that the minimum borrowing, *pro rata* borrowing and *pro rata* payment requirements contained elsewhere in this Agreement shall not apply to the transactions effected pursuant to the immediately preceding sentence.

amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this Section 2.17(1)(b) shall be deemed paid to and redirected by that Defaulting Lender, and each Lender irrevocably consents hereto.

(c) Certain Fees. That Defaulting Lender (i) shall not be entitled to receive any commitment fee pursuant to Section 2.09(1) for any period during which that Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender) and (ii) shall be limited in its right to receive Letter of Credit fees as provided in Section 2.03(9)

(d) Reallocation of Pro Rata Share to Reduce Fronting Exposure. During any period in which there is a Defaulting Lender, for purposes of computing the amount of the obligation of each Non-Defaulting Lender to acquire, refinance or fund participations in Letters of Credit or Swing Line Loans pursuant to Section 2.03, the "Pro Rata Share" of each Non-Defaulting Lender's Revolving Loans and L/C Obligations shall be computed without giving effect to the Commitment of that Defaulting Lender; *provided* that (i) each such reallocation shall be given effect only if, at the date the applicable Lender becomes a Defaulting Lender, no Default or Event of Default has occurred and is continuing; and (ii) the aggregate obligation of each Non-Defaulting Lender to acquire, refinance or fund participations in Letters of Credit or Swing Line Loans shall not exceed the positive difference, if any, of (1) the Commitment of that Non-Defaulting Lender *minus* (2) the aggregate Outstanding Amount of the Revolving Loans of that Non-Defaulting Lender. If the reallocation described above in this clause (d) cannot, or can only partially, be effected, the Borrower shall, without prejudice to any right or remedy available to it hereunder or under any law, (x) first, prepay Swing Line Loans in an amount equal to the Swing Line Lender's Fronting Exposure and (y) second, Cash Collateralize the applicable Issuing Banks' Fronting Exposure in accordance with the procedures set forth in Section 2.03(7).

(2) Defaulting Lender Cure. If the Borrower, the Administrative Agent, the Swing Line Lender and the relevant Issuing Banks agree in writing in their sole discretion that a Defaulting Lender should no longer be deemed to be a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), that Lender will, to the extent applicable, purchase that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Revolving Loans of the applicable Facility and funded and unfunded participations in Letters of Credit and Swing Line Loans to be held on a pro rata basis by the Lenders in accordance with their Pro Rata Share of the applicable Facility (without giving effect to Section 2.17(1)(d)), whereupon that Lender will cease to be a Defaulting Lender; *provided* that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; *provided further* that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. So long as any Lender is a Defaulting Lender, (i) the Swing Line Lender shall not be required to fund any Swing Line Loans unless it is satisfied that it will have no Fronting Exposure after giving effect to such Swing Line Loan and (ii) no Issuing Bank shall be required to issue, extent, renew or increase any Letter of Credit unless it is satisfied that it will have no Fronting Exposure after giving effect thereto.

SECTION 2.18 Loan Repricing Protection.

In the event that, on or prior to the six month anniversary of the ~~Closing~~Amendment No. 4 Effective Date, the Borrower (a) makes any prepayment of Closing Date Term Loans in connection with any Repricing Transaction or (b) effects any amendment of this Agreement resulting in a Repricing Transaction, the Borrower shall pay to the Administrative Agent, for the ratable account of each applicable Lender, (i) in the case of clause (a), a prepayment premium of 1.00% of the aggregate principal amount of the Closing Date Term Loans being prepaid and (ii) in the case of clause (b), a payment equal to 1.00% of the aggregate principal

reasonably accommodate circumstances unforeseen on the Closing Date, deliver the documents or take the actions required pursuant to sub clauses (i) through (vi) of Section 6.11(2)(b) hereof with respect to any Mortgaged Properties listed in Schedule 1.01(2), including the Phase I Environmental Site Assessments prepared by EMG in connection with the Transactions, as if notice had been provided with respect to such Mortgaged Properties listed in Schedule 1.01(2), except to the extent otherwise agreed by the Administrative Agent pursuant to its authority as set forth in the definition of the term "Collateral and Guarantee Requirement."

SECTION 6.14 Use of Proceeds.

(1) The proceeds of the Closing Date Term Loans (other than the 2017 Refinancing Term Loans) and Closing Date Revolving Borrowings, together with the proceeds of the Equity Contribution and the Senior Notes, will be used on the Closing Date to (a) repay Indebtedness incurred under the Existing Credit Agreement and certain other Indebtedness, in each case together with any premium and accrued and unpaid interest thereon and any fees and expenses with respect thereto, (b) pay (i) any original issue discount or upfront fees in connection with the Transactions resulting from the exercise of any "market flex" pursuant to the Fee Letter, (ii) the Transaction Consideration and (iii) the Transaction Expenses and (c) to the extent any such proceeds remain after the foregoing uses, for general corporate purposes not prohibited by the terms of this Agreement.

(2) The proceeds of the Revolving Loans and Swing Line Loans borrowed after the Closing Date will be used for working capital and other general corporate purposes, including the financing of transactions that are not prohibited by the terms of this Agreement (including Permitted Acquisitions and other investments permitted hereunder).

(3) Letters of Credit will be used by the Borrower for general corporate purposes of the Borrower, Holdings and the Restricted Subsidiaries, including supporting transactions not prohibited by the Loan Documents.

SECTION 6.15 Maintenance of Ratings. Use commercially reasonable efforts to maintain (1) a public corporate credit rating (but not any specific rating) from S&P and a public corporate family rating (but not any specific rating) from Moody's, in each case in respect of the Borrower, and (2) a public rating (but not any specific rating) in respect of each Term Facility as of the Closing Date from each of S&P and Moody's.

ARTICLE VII

Negative Covenants

So long as the Termination Conditions are not satisfied:

SECTION 7.01 Liens. The Borrower shall not, nor shall the Borrower permit any Restricted Subsidiary to, directly or indirectly, create, incur or assume any Lien (except any Permitted Lien(s)) that secures obligations under any Indebtedness or any related guarantee of Indebtedness on any asset or property of the Borrower or any Restricted Subsidiary, or any income or profits therefrom.

The expansion of Liens by virtue of accretion or amortization of original issue discount, the payment of dividends in the form of Indebtedness, and increases in the amount of Indebtedness outstanding solely as a result of fluctuations in the exchange rate of currencies will not be deemed to be an incurrence of Liens for purposes of this Section 7.01.

SECTION 7.02 Indebtedness.

(a) The Borrower shall not, nor shall the Borrower permit any Restricted Subsidiary to, directly or indirectly:

(c) Notwithstanding anything to the contrary contained herein or in any other Loan Document, upon request of the Borrower in connection with any Liens permitted by the Loan Documents, the Administrative Agent or Collateral Agent, as applicable, shall (without notice to, or vote or consent of, any Secured Party) take such actions as shall be required to subordinate the Lien on any Collateral to any Lien permitted under Section 7.01 to be senior to the Liens in favor of the Collateral Agent.

(d) Notwithstanding the foregoing or anything in the Loan Documents to the contrary, at the direction of the Required Lenders, the Administrative Agent may, in exercising remedies, take any and all necessary and appropriate action to effectuate a credit bid of all Loans (or any lesser amount thereof) for the Borrower's assets in a bankruptcy, foreclosure or other similar proceeding, forbear from exercising remedies upon an Event of Default, or in a bankruptcy proceeding, enter into a settlement agreement on behalf of all Lenders.

SECTION 10.25 Assumption and Acknowledgment. Effective immediately after the consummation of the Merger, the execution and delivery by Life Time of a counterpart hereto and the funding of the Closing Date Loans hereunder, and without affecting any of the obligations of Holdings as a Guarantor under any Loan Document, Life Time hereby assumes all of Initial Borrower's rights, title, interests, duties, liabilities and obligations (including the Obligations) under the Loan Documents as the "Borrower" hereunder (collectively, the "**Assumption**"), including, any claims, liabilities, or obligations arising from Initial Borrower's failure to perform any of its covenants, agreements, commitments or obligations under the Loan Documents to be performed prior to the date of the Assumption. Holdings hereby acknowledges the Assumption by Life Time and its effectiveness immediately after the consummation of the Merger, the execution and delivery by Life Time of a counterpart hereto and the funding of the Closing Date Loans hereunder. Without limiting the generality of the foregoing, upon its execution and delivery of a counterpart hereto, Life Time hereby expressly agrees to observe and perform and be bound by all of the terms, covenants, representations, warranties, and agreements contained herein which are binding upon, and to be observed or performed by, the Borrower. Each Agent and each Lender hereby consents to the Assumption.

SECTION 10.26 Judgment Currency. If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder or any other Loan Document in one currency into another currency, the rate of exchange used shall be that at which in accordance with normal banking procedures the Administrative Agent could purchase the first currency with such other currency on the Business Day preceding that on which final judgment is given. The obligation of the Borrower in respect of any such sum due from it to the Administrative Agent or the Lenders hereunder or under the other Loan Documents shall, notwithstanding any judgment in a currency (the "**Judgment Currency**") other than that in which such sum is denominated in accordance with the applicable provisions of this Agreement (the "**Agreement Currency**"), be discharged only to the extent that on the Business Day following receipt by the Administrative Agent of any sum adjudged to be so due in the Judgment Currency, the Administrative Agent may in accordance with normal banking procedures purchase the Agreement Currency with the Judgment Currency. If the amount of the Agreement Currency so purchased is less than the sum originally due to the Administrative Agent from the Borrower in the Agreement Currency, the Borrower agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Administrative Agent or the Person to whom such obligation was owing against such loss. If the amount of the Agreement Currency so purchased is greater than the sum originally due to the Administrative Agent in such currency, the Administrative Agent agrees to return the amount of any excess to the Borrower (or to any other Person who may be entitled thereto under applicable Law).

SECTION 10.27 Recognition of EU Bail-In.

(a) Notwithstanding anything to the contrary in this Agreement, any Loan Document thereunder or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising in connection with any 2017 Refinancing Term Loans (or any Loan Document thereunder) contemplated by this Agreement, to the extent

such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(i) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

(ii) the effects of any Bail-in Action on any such liability, including, if applicable:

(A) a reduction in full or in part or cancellation of any such liability;

(B) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(C) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

(b) As used in this Agreement, the following terms have the meanings specified below:

(i) "Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

(ii) "Bail-In Legislation" means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

(iii) "EEA Financial Institution" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent;

(iv) "EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

(v) "EEA Resolution Authority" means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

(vi) "EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

(vii) "Write-Down and Conversion Powers" means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

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Exhibit 10.6

EXECUTION VERSION

FIFTH AMENDMENT TO CREDIT AGREEMENT

This FIFTH AMENDMENT TO THE CREDIT AGREEMENT, dated as of November 15, 2017 (this "**Fifth Amendment**"), by and among LTF INTERMEDIATE HOLDINGS, INC., a Delaware corporation ("**Holdings**"), LIFE TIME, INC. (formerly known as LIFE TIME FITNESS, INC.), a Minnesota corporation and successor in interest to LTF MERGER SUB, INC., as borrower (the "**Borrower**"), the Subsidiary Guarantors party hereto, DEUTSCHE BANK AG NEW YORK BRANCH, as administrative agent (in such capacity, including any successor thereto, the "**Administrative Agent**") and the New 2017 Refinancing Term Loan Lenders (as hereinafter defined) party hereto. Unless otherwise indicated, all capitalized terms used herein and not otherwise defined shall have the respective meanings provided such terms in the Credit Agreement referred to below (as amended by this Fifth Amendment).

W I T N E S S E T H:

WHEREAS, the Borrower, Holdings, the Lenders from time to time party thereto and the Administrative Agent are parties to a Credit Agreement, dated as of June 10, 2015 (as amended by that certain Technical Amendment No. 1, dated as of July 21, 2015, that certain Technical Amendment. No. 2, dated as of September 14, 2015, that certain Third Amendment to the Credit Agreement dated as of June 9, 2016 and that certain Fourth Amendment to the Credit Agreement dated as of January 27, 2017, the "**Credit Agreement**");

WHEREAS, on the date hereof, there are outstanding Term Loans under the Credit Agreement in an aggregate principal amount of $1,320,515,625.00 (the "**Existing Term Loans**");

WHEREAS, in accordance with the provisions of Sections 2.15 and 10.01 of the Credit Agreement, the Borrower, Holdings, the Administrative Agent and the New 2017 Refinancing Term Loan Lenders (as hereinafter defined) wish to amend the Credit Agreement to enable the Borrower to, among other things, refinance in full the aggregate amount of Term Loans outstanding immediately prior to the Fifth Amendment Effective Date (as hereinafter defined);

WHEREAS, pursuant to Section 2.15 of the Credit Agreement, the Borrower has requested that (i) the New 2017 Refinancing Term Loan Lenders listed on the New 2017 Refinancing Term Loan Commitment Schedule (as defined below) provide new Refinancing Term Loans under the Credit Agreement and (ii) certain lenders who are currently Lenders with respect to Existing Term Loans under the Credit Agreement (each, a "**Converting Lender**"), convert all or, if otherwise specified by the Administrative Agent, a portion of their outstanding Existing Term Loans into New 2017 Refinancing Term Loans (as hereinafter defined) (each such New 2017 Refinancing Term Loan, a "**Converting Term Loan**") in the same aggregate principal amount as such Converting Lender's Existing Term Loan (or such lesser amount as specified by the Administrative Agent) simultaneously with the making of other New 2017 Refinancing Term Loans hereunder (such Refinancing Term Loans and Converting Term Loans, collectively the "**New 2017 Refinancing Term Loans**" and each Lender that holds a New 2017 Refinancing Term Loan, a "**New 2017 Refinancing Term Loan Lender**" and, collectively, the "**New 2017 Refinancing Term Loan Lenders**") in an aggregate principal amount of $1,320,515,625.00; and

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed as follows:

SECTION 1. Amendments to Credit Agreement.

(a) New 2017 Refinancing Term Loans.

(i) Subject to the satisfaction (or waiver) of the conditions set forth in Section 2 hereof and in reliance upon the representations and warranties set forth in Section 4 hereof, the New 2017 Refinancing Term Loan Lenders severally, but not jointly, hereby agree to (x) make New 2017 Refinancing Term Loans to the Borrower on the Fifth Amendment Effective Date in the aggregate principal amount of such New 2017 Refinancing Term Loan Lender's New 2017 Refinancing Term Loan Commitment (as defined below) and/or (y) convert their Existing Term Loans into New 2017 Refinancing Term Loans pursuant to Section 6(f), as applicable.

(ii) The Administrative Agent has prepared a schedule attached hereto as Schedule A (the "**New 2017 Refinancing Term Loan Commitment Schedule**") which sets forth the "**New 2017 Refinancing Term Loan Commitment**" of each New 2017 Refinancing Term Loan Lender set forth therein.

(iii) The New 2017 Refinancing Term Loans shall be designated as a new tranche under the Credit Agreement, with terms and provisions identical to the Existing Term Loans, except as set forth herein.

(b) Additional Credit Agreement Amendments. Each of the parties hereto agrees that, subject to the satisfaction (or waiver) of the conditions set forth in Section 2 hereof and upon the making of the New 2017 Refinancing Term Loans, the Credit Agreement shall be amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the double-underlined text (indicated textually in the same manner as the following example: double-underlined text) as set forth in the pages of the Credit Agreement attached as Annex II hereto.

SECTION 2. Conditions of Effectiveness of this Fifth Amendment. This Fifth Amendment shall become effective and the New 2017 Refinancing Term Loan Lenders shall disburse the New 2017 Refinancing Term Loan to be made by it pursuant to Section 1(a) on the date (the "**Fifth Amendment Effective Date**") when the following conditions shall have been satisfied (or waived):

(a) the Administrative Agent (or its counsel) shall have received (x) from the Borrower, Holdings, each Guarantor, the Administrative Agent and each New 2017 Refinancing Term Loan Lender counterparts of this Fifth Amendment signed on behalf of such parties and (y) from each Converting Lender, a Refinancing Lender Consent substantially in the form of Annex I hereto (the "**Refinancing Lender Consent**") (in each case, including by way of facsimile or other electronic transmission);

(b) substantially simultaneously with the making of the New 2017 Refinancing Term Loans, the Borrower shall have paid, by wire transfer of immediately available funds, all reasonable and documented in reasonable detail costs, fees, out-of-pocket expenses (including the reasonable and documented in reasonable detail fees, disbursements and other charges of Davis Polk & Wardwell LLP in connection with this Fifth Amendment), compensation and other amounts then due and payable pursuant to the Engagement Letter, dated as of November 1, 2017, by and between the Borrower and Deutsche Bank Securities Inc. ("**DBSI**"), the Amended and Restated Engagement Letter dated as of November 15, 2017, by and among DBSI, Goldman Sachs Bank USA, Jefferies Finance LLC, Mizuho Bank Ltd., BMO Capital Markets Corp., RBC Capital Markets, LLC, U.S. Bank National Association, Macquarie Capital (USA) Inc. and Nomura Securities International, Inc. (collectively as Lead Arrangers) and the Borrower, and the Fee Letter, dated as of November 1, 2017, by and between the Borrower and DBSI, and in the case of the costs and out-of-pocket expenses, to the extent invoiced at least one Business Day prior to the Fifth Amendment Effective Date;

(c) on the Fifth Amendment Effective Date and after giving effect to this Fifth Amendment and the making of the New 2017 Refinancing Term Loans, (i) no Default or Event of Default shall have occurred and be continuing and (ii) all of the representations and warranties of each Loan Party contained in this Fifth Amendment, the Credit Agreement and the other Loan Documents shall be true and correct in all material respects before and after the effectiveness of this Fifth Amendment and the making of the New 2017 Refinancing Term Loans or the application of the proceeds thereof; provided that, to the extent that such representations and warranties specifically refer to an earlier date, they shall be true and correct in all material respects as of such earlier date; provided, further, that any representation and warranty that is qualified as to "materiality," "Material Adverse Effect" or similar language shall be true and correct (after giving effect to any qualification therein) in all respects on and as of the Fifth Amendment Effective Date or such earlier date;

(d) the Administrative Agent shall have received a certificate executed by a Responsible Officer of the Borrower certifying compliance with the requirements of the preceding clause (c);

(e) the Administrative Agent shall have received no fewer than three Business Days prior to the Fifth Amendment Effective Date (x) a Committed Loan Notice, duly executed by the Borrower, for the Borrowing of the New 2017 Refinancing Term Loans pursuant to this Fifth Amendment and (y) a prepayment notice pursuant to Section 2.05(1)(a) of the Credit Agreement;

(f) there shall have been delivered to the Administrative Agent (A) certificates of good standing from the secretary of state of the state of organization of each Loan Party (to the extent such concept exists in such jurisdiction), customary certificates of resolutions or other action, and incumbency certificates, (B) a certificate of a Responsible Officer of the Borrower (which may be contained in the same certificate as the certificate delivered pursuant to the preceding clause (e)), certifying that since the Amendment No. 4 Effective Date, except as attached to such certificate, there have been no changes to the Organizational Documents of the Loan Parties and/or attaching copies of any such Organizational Documents that have changed since the Amendment No. 4 Effective Date and (C) a solvency certificate from a Responsible Officer of the Borrower (after giving effect to the New 2017 Refinancing Term Loans) substantially in the form attached to the Credit Agreement as Exhibit I; and

(g) the Administrative Agent shall have received an opinion from (i) Latham & Watkins LLP, special New York counsel to the Loan Parties and (ii) Faegre Baker Daniels LLP, special Minnesota counsel to the Loan Parties, in each case in form and substance reasonably satisfactory to the Administrative Agent and addressed to the Administrative Agent and the New 2017 Refinancing Term Loan Lenders.

(h) the Administrative Agent shall receive, simultaneously with such funding, funds sufficient to (i) prepay in full the principal amount of all Existing Term Loans (other than Converting Term Loans) and (ii) pay, in connection therewith, all accrued and unpaid interest on all Existing Term Loans.

SECTION 3. Representations and Warranties. To induce the Administrative Agent and the New 2017 Refinancing Term Loan Lenders party hereto to enter into this Fifth Amendment and each Refinancing Lender Consent, each of the Borrower and Holdings represents and warrants to the Administrative Agent and the New 2017 Refinancing Term Loan Lenders party hereto on and as of the Fifth Amendment Effective Date:

(a) all of the representations and warranties of each Loan Party contained in the Credit Agreement and the other Loan Documents are true and correct in all material respects on and as of the

Fifth Amendment Effective Date; provided that, to the extent that such representations and warranties specifically refer to an earlier date, they shall be true and correct in all material respects as of such earlier date; provided further that any representation and warranty that is qualified as to "materiality," "Material Adverse Effect" or similar language shall be true and correct (after giving effect to any qualification therein) in all respects on and as of the Fifth Amendment Effective Date or such earlier date; and

(b) no Default or Event of Default exists as of the Fifth Amendment Effective Date, or would result from the making of the New 2017 Refinancing Term Loans or the application of the proceeds therefrom.

SECTION 4. Reaffirmation of Guaranty. Each Guarantor reaffirms its guarantee of the Guaranteed Obligations (as defined in the Guaranty) under the terms and conditions of the Guaranty and agrees that such guarantee remains in full force and effect and is hereby ratified, reaffirmed and confirmed. Each Guarantor hereby confirms that it consents to the terms of this Fifth Amendment, including, without limitation, the refinancing in full of the Existing Term Loans under the Credit Agreement in the form of New 2017 Refinancing Term Loans and which constitute "Guaranteed Obligations" of such Guarantor under the Guaranty as amended by this Fifth Amendment. Each Guarantor hereby (i) confirms that each Loan Document to which it is a party or is otherwise bound will continue to guarantee, to the fullest extent possible in accordance with the Loan Documents, the payment and performance of the Guaranteed Obligations, including without limitation the payment and performance of all such applicable Guaranteed Obligations that are joint and several obligations of each Guarantor now or hereafter existing; (ii) acknowledges and agrees that its Guaranty and each of the Loan Documents to which it is a party or otherwise bound shall continue in full force and effect and that all of its obligations thereunder shall be valid and enforceable and shall not be impaired or limited by the execution or effectiveness of the Fifth Amendment; and (iii) acknowledges, agrees and warrants for the benefit of the Administrative Agent and each Secured Party that there are no rights of set-off or counterclaim, nor any defenses of any kind, whether legal, equitable or otherwise, that would enable such Guarantor to avoid or delay timely performance of its obligations under the Loan Documents (except to the extent such obligations constitute Excluded Swap Obligations (as defined in the Guaranty) with respect to such Guarantor).

SECTION 5. Reaffirmation of Security Agreement.

(a) Each Loan Party hereby acknowledges that it has reviewed and consents to the terms and conditions of this Fifth Amendment and the transactions contemplated hereby, including, without limitation, the refinancing in full of the Existing Term Loans under the Credit Agreement in the form of New 2017 Refinancing Term Loans. In addition, each Loan Party reaffirms the security interests granted by such Loan Party under the terms and conditions of the Security Agreement to secure the Obligations and agrees that such security interests remain in full force and effect and are hereby ratified, reaffirmed and confirmed. Each Loan Party hereby confirms that the security interests granted by such Loan Party under the terms and conditions of the Security Agreement secure the New 2017 Refinancing Term Loans as part of the Obligations. Each Loan Party hereby (i) confirms that each Loan Document to which it is a party or is otherwise bound and all Collateral (as defined in the Security Agreement) encumbered thereby will continue to guarantee or secure, as the case may be, to the fullest extent possible in accordance with the Loan Documents, the payment and performance of the Obligations, as the case may be, including, without limitation, the payment and performance of all such applicable Obligations that are joint and several obligations of each Loan Party now or hereafter existing, (ii) confirms its respective grant to the Collateral Agent for the benefit of the Secured Parties of the security interest in and continuing Lien on all of such Loan Party's right, title and interest in, to and under all Collateral (as defined in the Security Agreement), whether now owned or existing or hereafter acquired or arising and wherever located, as collateral security for the prompt and complete payment and performance in full when due, whether at

stated maturity, by required prepayment, declaration, acceleration, demand or otherwise, of all applicable Obligations (including all such Obligations as amended, reaffirmed and/or increased pursuant to this Fifth Amendment), subject to the terms contained in the applicable Loan Documents, and (iii) confirms its respective guarantees, pledges, grants of security interests and other obligations, as applicable, under and subject to the terms of each of the Loan Documents to which it is a party.

(b) Each Loan Party acknowledges and agrees that each of the Loan Documents to which it is a party or otherwise bound shall continue in full force and effect and that all of its obligations thereunder shall be valid and enforceable and shall not be impaired or limited by the execution or effectiveness of this Fifth Amendment.

SECTION 6. Reference to and Effect on the Credit Agreement and the Loan Documents.

(a) This Fifth Amendment shall constitute both a Refinancing Amendment and a Loan Document under the Credit Agreement.

(b) On and after the Fifth Amendment Effective Date, (i) each reference in the Credit Agreement to "this Agreement," "hereunder," "hereof" or words of like import referring to the Credit Agreement shall mean and be a reference to the Credit Agreement, as amended by this Fifth Amendment, (ii) each New 2017 Refinancing Term Loan Lender shall constitute a "Lender" under (and as defined in) the Credit Agreement, (iii) the New 2017 Refinancing Term Loan Commitments shall constitute "Refinancing Commitments" and "Commitments" under (and as defined in) the Credit Agreement, (iv) the New 2017 Refinancing Term Loans shall constitute "Closing Date Term Loans" under (and as defined in) the Credit Agreement and (v) the Fifth Amendment Effective Date shall constitute the "Amendment No. 5 Effective Date" under (and as defined in) the Credit Agreement.

(c) The Credit Agreement and each of the other Loan Documents, as specifically amended by this Fifth Amendment, are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed. Without limiting the generality of the foregoing, the Collateral Documents and all of the Collateral described therein do and shall continue to secure the payment of all Obligations of the Loan Parties under the Loan Documents, in each case, as amended by this Fifth Amendment.

(d) The execution, delivery and effectiveness of this Fifth Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any Lender or the Administrative Agent under any of the Loan Documents, nor constitute a waiver of any provision of any of the Loan Documents.

(e) Notwithstanding anything in the Credit Agreement to the contrary, the New 2017 Refinancing Term Loans shall be funded as Eurodollar Rate Loans with an initial Interest Period ending on November 30, 2017.

(f) Each Converting Lender that executes and delivers a Refinancing Lender Consent electing the "Consent and Cashless Roll Option" shall be deemed to agree, upon the effectiveness of this Fifth Amendment on the Fifth Amendment Effective Date that (i) all (or such lesser amount as the Administrative Agent may allocate to such Lender) of its Existing Term Loans shall constitute New 2017 Refinancing Term Loans under the Credit Agreement (each such New 2017 Refinancing Term Loan, to such extent, a "**Cashless Converting Loan**") and (ii) it waives any right to receive its share of the prepayment of Existing Term Loans referred to in Section 2(h), solely to the extent of such Cashless Converting Loans.

(g) Each existing Term Lender that executes and delivers a Refinancing Lender Consent electing the "Consent and Assignment Option" shall be repaid in full (or such lesser amount as the Administrative Agent may allocate to such Term Lender) on the Fifth Amendment Effective Date, including for all accrued and unpaid interest, fees, expenses and other compensation owed to such Term Lender and due and payable by the Borrower pursuant to the Credit Agreement and this Fifth Amendment. Each such Term Lender agrees that it shall be deemed to have executed an Assignment and Assumption pursuant to Section 10.07 of the Credit Agreement on the Fifth Amendment Effective Date and to have purchased a principal amount of New 2017 Refinancing Term Loans in an amount equal to the principal amount of such repayment (or such lesser amount as the Administrative Agent may allocate to such Term Lender).

(h) This Fifth Amendment may not be amended, modified or waived except pursuant to a writing signed by each of the parties hereto.

SECTION 7. Governing Law. THIS FIFTH AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

SECTION 8. Counterparts. This Fifth Amendment may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Fifth Amendment by telecopy or other electronic imaging (including in .pdf format) means shall be effective as delivery of a manually executed counterpart of this Fifth Amendment.

SECTION 9. Electronic Execution. The words "execution," "signed," "signature," and words of like import in this Fifth Amendment or in any amendment or other modification hereof (including waivers and consents) shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

[*The remainder of this page is intentionally left blank.*]

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized officers to execute and deliver this Fifth Amendment as of the date first above written.

LIFE TIME, INC., as Borrower

By: /s/ James Spolar
Name: James Spolar
Title: Vice President and Secretary

LTF INTERMEDIATE HOLDINGS, INC., as Holdings and Guarantor

By: /s/ James Spolar
Name: James Spolar
Title: Secretary

[Signature Page to Fifth Amendment to Credit Agreement]

LTF CLUB OPERATIONS COMPANY, INC., as Guarantor

By: /s/ Steve Kerzman
Name: Steve Kerzman
Title: President,Chief Executive Officer and Chief Financial Officer

LTF OPERATIONS HOLDINGS, INC., as Guarantor

By: /s/ James Spolar
Name: James Spolar
Title: Vice President and Secretary

LTF MANAGEMENT SERVICES, LLC, as Guarantor

By: /s/ James Spolar
Name: James Spolar
Title: Vice President and Secretary

LTF CONSTRUCTION COMPANY, LLC, as Guarantor

By: /s/ James Spolar
Name: James Spolar
Title: Vice President and Secretary

LTF RESTAURANT COMPANY, LLC, as Guarantor

By: /s/ James Spolar
Name: James Spolar
Title: Vice President and Secretary

LTF CLUB MANAGEMENT COMPANY, LLC, as Guarantor

By: /s/ James Spolar
Name: James Spolar
Title: Vice President and Secretary

LTF CLUB OPERATIONS COMPANY, INC., as Guarantor

By: /s/ Steve Kerzman
Name: Steve Kerzman
Title: President, Chief Executive Officer and Chief Financial Officer

LTF OPERATIONS HOLDINGS, INC., as Guarantor

By: /s/ James Spolar
Name: James Spolar
Title: Vice President and Secretary

LTF MANAGEMENT SERVICES, LLC, as Guarantor

By: /s/ James Spolar
Name: James Spolar
Title: Vice President and Secretary

LTF CONSTRUCTION COMPANY, LLC, as Guarantor

By: /s/ James Spolar
Name: James Spolar
Title: Vice President and Secretary

LTF RESTAURANT COMPANY, LLC, as Guarantor

By: /s/ James Spolar
Name: James Spolar
Title: Vice President and Secretary

LTF CLUB MANAGEMENT COMPANY, LLC, as Guarantor

By: /s/ James Spolar
Name: James Spolar
Title: Vice President and Secretary

LTF MINNETONKA RESTAURANT COMPANY, LLC,
as Guarantor

By: /s/ James Spolar
Name: James Spolar
Title: Vice President and Secretary

LTF TRIATHLON SERIES, LLC, as Guarantor

By: /s/ James Spolar
Name: James Spolar
Title: Title: Vice President and Secretary

CHRONOTRACK SYSTEMS CORP., as Guarantor

By: /s/ Steve Kerzman
Name: Steve Kerzman
Title: Treasurer

LTF ARCHITECTURE, LLC, as Guarantor

By: /s/ James Spolar
Name: James Spolar
Title: Vice President and Secretary

LTF LEASE COMPANY, LLC, as Guarantor

By: /s/ James Spolar
Name: James Spolar
Title: Vice President and Secretary

LTF REAL ESTATE HOLDINGS, LLC, as Guarantor

By: /s/ James Spolar
Name: James Spolar
Title: Vice President and Secretary

LTF MINNETONKA RESTAURANT COMPANY, LLC, as Guarantor

By: /s/ James Spolar
Name: James Spolar
Title: Vice President and Secretary

LTF TRIATHLON SERIES, LLC, as Guarantor

By: /s/ James Spolar
Name: James Spolar
Title: Vice President and Secretary

CHRONOTRACK SYSTEMS CORP., as Guarantor

By: /s/ Steve Kerzman
Name: Steve Kerzman
Title: Treasurer

LTF ARCHITECTURE, LLC, as Guarantor

By: /s/ James Spolar
Name: James Spolar
Title: Vice President and Secretary

LTF LEASE COMPANY, LLC, as Guarantor

By: /s/ James Spolar
Name: James Spolar
Title: Vice President and Secretary

LTF REAL ESTATE HOLDINGS, LLC, as Guarantor

By: /s/ James Spolar
Name: James Spolar
Title: Vice President and Secretary

LTF REAL ESTATE COMPANY, INC., as Guarantor

By: /s/ James Spolar
Name: James Spolar
Title: Vice President and Secretary

LTF EDUCATIONAL PROGRAMS, LLC, as Guarantor

By: /s/ James Spolar
Name: James Spolar
Title: Vice President and Secretary

LTF GROUND LEASE COMPANY, LLC, as Guarantor

By: /s/ James Spolar
Name: James Spolar
Title: Vice President and Secretary

DEUTSCHE BANK AG NEW YORK BRANCH, as Administrative Agent and New 2017 Refinancing Term Loan Lender

By: /s/ Mary Kay Coyle
Name: Mary Kay Coyle
Title: Managing Director

By: /s/ Dusan Lazarov
Name: Dusan Lazarov
Title: Director

SCHEDULE A

NEW 2017 REFINANCING TERM LOAN COMMITMENT SCHEDULE

New 2017 Refinancing Term Loan Lender	New 2017 Refinancing Term Loan Commitment
DEUTSCHE BANK AG NEW YORK BRANCH	$ 217,361,777.56
Total	$ 217,361,777.56

ANNEX II

AMENDMENTS TO CREDIT AGREEMENT

[Changed pages to Credit Agreement follow]

~~EXECUTION VERSION~~
(conformed to (i) Technical Amendment No. 1,
dated as of July 21, 2015, (ii) Technical Amendment No. 2
dated as of September 14, 2015, (iii) Third Amendment
to the Credit Agreement, dated as of June 9, 2016 ~~and~~, (iv) Fourth Amendment
~~Fourth Amendment~~ to the Credit Agreement, dated as of January 27, 2017 and (v) Fifth Amendment
to the Credit Agreement, dated as of November 15, 2017)

Published CUSIP Numbers:
DEAL CUSIP: 50218KAA6
REVOLVER CUSIP: 50218KAC2
TERM FACILITY CUSIP: 50218KAB4

CREDIT AGREEMENT

Dated as of June 10, 2015

among

LTF INTERMEDIATE HOLDINGS, INC.,
as Holdings,

LTF MERGER SUB, INC.,
as Initial Borrower,

U.S. BANK NATIONAL ASSOCIATION
as Issuing Bank and Swing Line Lender,

DEUTSCHE BANK AG NEW YORK BRANCH,
as Administrative Agent and Collateral Agent,

and

THE OTHER LENDERS PARTY HERETO

DEUTSCHE BANK SECURITIES INC.,
GOLDMAN SACHS BANK USA,
JEFFERIES FINANCE LLC,
MIZUHO BANK, LTD.
BMO CAPITAL MARKETS CORP.,
RBC CAPITAL MARKETS, LLC,
U.S. BANK NATIONAL ASSOCIATION,
MACQUARIE CAPITAL (USA) INC.~~,~~
and
NOMURA SECURITIES INTERNATIONAL, INC.,
~~and~~

~~MIZUHO BANK, LTD.,~~
as Joint Lead Arrangers and Joint Lead Bookrunners

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CREDIT AGREEMENT

This CREDIT AGREEMENT (this "**Agreement**") is entered into as of June 10, 2015, by and among LTF INTERMEDIATE HOLDINGS, INC., a Delaware corporation ("**Holdings**"), LTF MERGER SUB, INC., a Minnesota corporation and direct subsidiary of Holdings ("**Merger Sub**" or "**Initial Borrower**"), U.S. BANK NATIONAL ASSOCIATION ("**US Bank**"), as Issuing Bank and Swing Line Lender, DEUTSCHE BANK AG NEW YORK BRANCH ("**DBNY**"), as administrative agent (in such capacity, including any successor thereto, the "**Administrative Agent**") and as collateral agent (in such capacity, including any successor thereto, the "**Collateral Agent**") under the Loan Documents, and each lender from time to time party hereto (collectively, the "**Lenders**" and individually, a "**Lender**").

PRELIMINARY STATEMENTS

Pursuant to the Transaction Agreement (as defined in Section 1.01 below), Merger Sub will merge (the "**Merger**") with and into Life Time Fitness, Inc., a Minnesota corporation (the "**Acquired Company**"), which will survive the Merger and succeed to all the rights and obligations of the Initial Borrower under this Agreement and the other Loan Documents (such successor, ~~or~~ "**Life Time**").

In connection therewith, the Borrower has requested that (a) substantially simultaneously with the consummation of the Merger, the Lenders extend credit to the Borrower in the form of $1,250.0 million of Closing Date Term Loans and $250.0 million of Revolving Commitments on the Closing Date as secured credit facilities and (b) from time to time on and after the Closing Date, the Lenders lend to the Borrower and the Issuing Banks issue Letters of Credit for the account of the Borrower, each to provide working capital for, and for other general corporate purposes of, the Borrower and its Restricted Subsidiaries, pursuant to the Revolving Commitments hereunder and pursuant to the terms of, and subject to the conditions set forth in, this Agreement.

On the Closing Date, the Borrower will enter into the Senior Notes Indenture pursuant to which the Borrower shall issue the Senior Notes in an aggregate principal amount of up to $450.0 million.

The proceeds of the Closing Date Term Loans and the Closing Date Revolving Borrowings, together with the proceeds of the Senior Notes and the Equity Contribution, will be used on the Closing Date (i) to repay Indebtedness incurred under the Existing Credit Agreement and certain other Indebtedness and (ii) to pay (A) any original issue discount or upfront fees resulting from the exercise of any "market flex" pursuant to the Fee Letter in connection with the Transactions, (B) the Transaction Consideration, (C) the Transaction Expenses and (D) amounts required for working capital.

The applicable Lenders have indicated their willingness to lend, and the applicable Issuing Banks have indicated their willingness to issue Letters of Credit, in each case on the terms and subject to the conditions set forth herein.

In consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows:

ARTICLE I

Definitions and Accounting Terms

SECTION 1.01 Defined Terms. As used in this Agreement, the following terms have the meanings set forth below:

"**2017 Refinancing Term Lender**" means, at any time, each Lender with a 2017 Refinancing Term Loan Commitment or, after the 2017 Refinancing Term Loans are made or issued, holding a 2017 Refinancing Term Loan at such time.

"**2017 Refinancing Term Loan**" ~~shall mean~~means the "2017 Refinancing Term Loans" as defined in, and made and/or converted in accordance with Amendment No. 4.

"**2017 Refinancing Term Loan Commitment**" means, for any 2017 Refinancing Term Lender, the amount set forth opposite such 2017 Refinancing Term Lender's name on Schedule A to Amendment No. 4. The initial aggregate amount of the 2017 Refinancing Term Loan Commitments is $1,330,494,332.49.

"**Acceptable Discount**" has the meaning specified in Section 2.05(1)(e)(D)(2).

"**Acceptable Prepayment Amount**" has the meaning specified in Section 2.05(1)(e)(D)(3).

"**Acceptance and Prepayment Notice**" means a notice of the Borrower's acceptance of the Acceptable Discount in substantially the form of Exhibit M.

"**Acceptance Date**" has the meaning specified in Section 2.05(1)(e)(D)(2).

"**Acquired Company**" has the meaning specified in the preliminary statements of this Agreement.

"**Acquired Indebtedness**" means, with respect to any specified Person,

(1) Indebtedness of any other Person existing at the time such other Person is merged, consolidated or amalgamated with or into or became a Restricted Subsidiary of such specified Person, including Indebtedness incurred in connection with, or in contemplation of, such other Person merging, amalgamating or consolidating with or into, or becoming a Restricted Subsidiary of, such specified Person, and

(2) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

"**Additional Lender**" means, at any time, any bank, other financial institution or institutional lender or investor that, in any case, is not an existing Lender and that agrees to provide any portion of any (a) Incremental Loan in accordance with Section 2.14, (b) Loans pursuant to a Refinancing Amendment in accordance with Section 2.15 or (c) Replacement Loans pursuant to Section 10.01; *provided* that each Additional Lender (other than any Person that is a Lender, an Affiliate of a Lender or an Approved Fund of a Lender at such time) shall be subject to the approval of the Administrative Agent, the Swing Line Lender or the Issuing Bank(s) (such approval not to be unreasonably withheld, conditioned or delayed), in each case solely to the extent that any such consent would be required from the Administrative Agent, the Swing Line Lender or the Issuing (s) under Section 10.07(b)(iii) for an assignment of Loans to such Additional Lender.

"**Adjusted EBITDA**" means, with respect to any Person for any period, the Consolidated Net Income of such Person and its Restricted Subsidiaries for such period:

(1) increased (without duplication) by the following, in each case (other than clauses (h), (l) and (m)) to the extent deducted (and not added back) in determining Consolidated Net Income for such period:

(a) total interest expense and, to the extent not reflected in such total interest expense, any losses on Hedging Obligations or other derivative instruments entered into for the purpose of hedging interest rate risk, net of interest income and gains on such Hedging Obligations or such derivative instruments, and bank and letter of credit fees and costs of surety bonds in connection with financing activities, together with items excluded from the definition of "Consolidated Interest Expense" pursuant to the definition thereof; *plus*

"**Affiliate Transaction**" has the meaning specified in Section 7.07.

"**Affiliated Lender**" means, at any time, any Lender that is an Investor or an Affiliate of an Investor (including Co-Investors and their Affiliates and other Affiliates of the Borrower) (other than (a) Holdings, the Borrower or any Subsidiary, (b) any Debt Fund Affiliate or (c) any natural person) at such time.

"**Affiliated Lender Assignment and Assumption**" has the meaning specified in Section 10.07(h)(v).

"**Affiliated Lender Cap**" has the meaning specified in Section 10.07(h)(iv).

"**Agent Parties**" has the meaning specified in Section 10.02(4).

"**Agent-Related Persons**" means the Agents, together with their respective Affiliates, and the officers, directors, employees, agents, attorney-in-fact, partners, trustees and advisors of such Persons and of such Persons' Affiliates.

"**Agents**" means, collectively, the Administrative Agent, the Collateral Agent and the Supplemental Administrative Agents (if any).

"**Aggregate Commitments**" means the Commitments of all the Lenders.

"**Agreement**" means this Credit Agreement, as amended, restated, amended and restated, modified or supplemented from time to time in accordance with the terms hereof.

"**Agreement Currency**" has the meaning specified in Section 10.26.

"**AHYDO Payment**" means any mandatory prepayment or redemption pursuant to the terms of any Indebtedness that is intended or designed to cause such Indebtedness not to be treated as an "applicable high yield discount obligation" within the meaning of Code Section 163(i).

"**All-In Yield**" means, as to any Indebtedness, the yield thereof, whether in the form of interest rate, margin, OID, upfront fees, a Eurodollar Rate floor or Base Rate floor (with such increased amount being determined in the manner described in the final proviso of this definition), or otherwise, in each case, incurred or payable by the Borrower generally to all lenders of such Indebtedness; *provided* that OID and upfront fees shall be equated to an interest rate assuming a 4-year life to maturity (or, if less, the stated life to maturity at the time of incurrence of the applicable Indebtedness); *provided further* that "All-In Yield" shall not include arrangement fees, structuring fees, commitment fees, underwriting fees, ticking fees or other fees similar to the foregoing (regardless of how such fees are computed and whether paid in whole or in part to any or all lenders) or other fees not generally paid to all lenders of such Indebtedness or, if applicable, consent fees for an amendment paid generally to consenting lenders; *provided further* that with respect to any Loans of an applicable Class that includes a Eurodollar Rate floor or Base Rate floor (1) to the extent that the Reference Rate on the date that the All-In Yield is being calculated is less than such floor, the amount of such floor shall be deemed added to the Applicable Rate for such Loans of such Class for the purpose of calculating the All-In Yield and (2) to the extent that the Reference Rate on the date that the All-In Yield is being calculated is greater than such floor, then the floor shall be disregarded in calculating the All-In Yield. As of the Closing Date, the All-In Yield with respect to the Closing Date Term Loans was 437.5 basis points.

"**Alternative Currency**" means Canadian Dollars.

"**Amendment No. 4**" ~~shall mean~~means the Refinancing Amendment to this Agreement dated as of January 27, 2017 among the Borrower, the Subsidiary Guarantors party thereto, the 2017 Refinancing Term Lenders party thereto and the Administrative Agent.

"**Amendment No. 4 Effective Date**" means January 27, 2017.

"**Amendment No. 5**" means the Refinancing Amendment to this Agreement dated as of November 15, 2017 among the Borrower, the Subsidiary Guarantors party thereto, the New 2017 Refinancing Term Lenders party thereto and the Administrative Agent.

"**Amendment No. 5 Effective Date**" means November 15, 2017.

"**Annual Financial Statements**" means the audited consolidated balance sheets of the Acquired Company as of the fiscal years ended December 31, 2014, December 31, 2013 and December 31, 2012, and the related consolidated statements of operations, changes in stockholders' equity and cash flows for the Acquired Company for the fiscal years then ended.

"**Applicable Discount**" has the meaning specified in Section 2.05(1)(e)(C)(2).

"**Applicable Rate**" means a percentage per annum equal to:

(a) with respect to New 2017 Refinancing Term Loans, (i) ~~3.00~~2.75% for Eurodollar Rate Loans and (ii) ~~2.00~~1.75% for Base Rate Loans.

(b) with respect to Revolving Loans and unused Revolving Commitments under the Closing Date Revolving Facility and Letter of Credit fees (i) until delivery of financial statements for the first full fiscal quarter ending after the Closing Date pursuant to Section 6.01, (A) 3.25% for Eurodollar Rate Loans, CDOR Loans and Letter of Credit fees, (B) 2.25% for Base Rate Loans and (C) 0.500% Commitment Fee Rate for unused Revolving Commitments and (ii) thereafter, the following percentages per annum, based upon the First Lien Net Leverage Ratio as specified in the most recent Compliance Certificate received by the Administrative Agent pursuant to Section 6.02(1):

Pricing Level	First Lien Net Leverage Ratio	Eurodollar Rate, CDOR Rate and Letter of Credit Fees	Base Rate	Commitment Fee Rate
1	> 3.50 to 1.00	3.25%	2.25%	0.500%
2	£ 3.50 to 1.00	3.00%	2.00%	0.375%

Any increase or decrease in the Applicable Rate resulting from a change in the First Lien Net Leverage Ratio shall become effective as of the first Business Day immediately following the date a Compliance Certificate is delivered pursuant to Section 6.02(1); *provided* that "Pricing Level 1" (as set forth above) shall apply as of (x) the first Business Day after the date on which a Compliance Certificate was required to have been delivered but was not delivered, and shall continue to so apply to and including the date on which such Compliance Certificate is so delivered (and thereafter the pricing level otherwise determined in accordance with this definition shall apply) and (y) at the option of the Administrative Agent or the Required Revolving Lenders under the Closing Date Revolving Facility, the first Business Day after an Event of Default under Section 8.01(1) shall have occurred and be continuing, and shall continue to so apply to but excluding the date on which such Event of Default is cured or waived (and thereafter the pricing level otherwise determined in accordance with this definition shall apply). Notwithstanding anything to the contrary set forth herein, the provisions of this clause (b) may be amended or waived with the consent of only the Borrower and the Required Revolving Lenders.

(c) with respect to any Term Loans (other than Closing Date Term Loans), as specified in the applicable Incremental Amendment, Extension Amendment or Refinancing Amendment.

"**Appropriate Lender**" means, at any time, (a) with respect to Loans of any Class, the Lenders of such Class and (b) with respect to Letters of Credit, (i) the relevant Issuing Banks and (ii) the relevant Revolving Lenders.

"**Approved Fund**" means, with respect to any Lender, any Fund that is administered, advised or managed by (a) such Lender, (b) an Affiliate of such Lender or (c) an entity or an Affiliate of an entity that administers, advises or manages such Lender.

"**Arrangers**" means DBSI, Goldman Sachs, Jefferies, Mizuho, BMOC, ~~RBC~~RBCCM, US Bank, Macquarie Capital~~,~~ and Nomura ~~and Mizuho~~, each in its capacity as a joint lead arranger under this Agreement~~, and, in connection with the 2017 Refinancing Term Loans and solely for purposes of Sections 9.03, 10.04 and 10.05 herein, Guggenheim Securities, LLC~~.

"**Asset Sale**" means:

(1) the sale, conveyance, transfer or other disposition, whether in a single transaction or a series of related transactions of property or assets of the Borrower or any Restricted Subsidiary (each referred to in this definition as a "**disposition**"); or

(2) the issuance or sale of Equity Interests (other than Preferred Stock or Disqualified Stock of Restricted Subsidiaries issued in compliance with Section 7.02 and directors' qualifying shares or shares or interests required to be held by foreign nationals or other third parties to the extent required by applicable law) of any Restricted Subsidiary (other than to the Borrower or another Restricted Subsidiary), whether in a single transaction or a series of related transactions;

in each case, other than:

(a) any disposition of:

(i) Cash Equivalents or Investment Grade Securities,

(ii) obsolete, damaged or worn out property or assets in the ordinary course of business or consistent with industry practice or any disposition of inventory or goods (or other assets) held for sale or no longer used or useful in the ordinary course,

(iii) assets no longer economically practicable or commercially reasonable to maintain (as determined in good faith by the management of the Borrower),

(iv) improvements made to leased real property to landlords pursuant to customary terms of leases entered into in the ordinary course of business and

(v) assets for purposes of charitable contributions or similar gifts to the extent such assets are not material to the ability of the Borrower and its Restricted Subsidiaries, taken as a whole, to conduct its business in the ordinary course;

(b) the disposition of all or substantially all of the assets of the Borrower in a manner permitted pursuant to Section 7.03;

(c) any disposition in connection with the making of any Restricted Payment that is permitted to be made, and is made, under Section ~~7.04~~7.05, any Permitted Investment or any acquisition otherwise permitted under this Agreement;

(d) any disposition of property or assets or issuance or sale of Equity Interests of any Restricted Subsidiary with an aggregate fair market value of less than (i) $5.0 million for any individual transaction or series of related transactions and (ii) $10.0 million for all such transactions in any fiscal year;

(4) Holdings shall cease to be the registered owner of 100% of the Equity Interests of the Borrower;

unless, in the case of clause (1) or (2) above, the Permitted Holders have, at such time, the right or the ability by voting power, contract or otherwise to elect or designate for election at least a majority of the board of directors of the Borrower or any Parent Company.

"**Claim**" means any actions, suits or written demands or claims.

"**Class**" means (i) with respect to Commitments or Loans, those of such Commitments or Loans that have the same terms and conditions (without regard to differences in the Type of Loan, Interest Period, upfront fees, OID or similar fees paid or payable in connection with such Commitments or Loans, or differences in tax treatment (e.g., "fungibility")) and (ii) with respect to Lenders, those of such Lenders that have Commitments or Loans of a particular Class.

"**Closing Date**" means the first date on which all the conditions precedent in Section 4.01 are satisfied or waived in accordance with Section 10.01, and the Closing Date Term Loans are made to the Borrower pursuant to Section 2.01(1)(a), which date was June 10, 2015.

"**Closing Date Loans**" means the Closing Date Term Loans and any Closing Date Revolving Borrowing.

"**Closing Date Material Adverse Effect**" means a "Company Material Adverse Effect" as defined in the Transaction Agreement.

"**Closing Date Refinancing**" means the repayment of all Indebtedness of the Acquired Company and its Subsidiaries with respect to which the Transaction Agreement requires the delivery of a payoff letter.

"**Closing Date Revolving Borrowing**" means a borrowing of Revolving Loans on the Closing Date, not to exceed the amount(s) (i) to pay Transaction Expenses in an amount not to exceed $ 20.0 million, *plus* (ii) for working capital purposes, *plus* (iii) to fund any original issue discount or upfront fees in connection with the Transactions resulting from the exercise of any "market flex" pursuant to the Fee Letter; *provided* that Letters of Credit may be issued on the Closing Date to backstop or replace letters of credit, guarantees and performance or similar bonds outstanding on the Closing Date (including deemed issuances of Letters of Credit under this Agreement resulting from an existing issuer of letters of credit outstanding on the Closing Date agreeing to become an Issuing Bank under this Agreement).

"**Closing Date Revolving Facility**" means the Revolving Facility made available by the Revolving Lenders as of the Closing Date.

"**Closing Date Term Loan Commitment**" means, as to each Term Lender, its obligation to make a Closing Date Term Loan to the Borrower in an aggregate amount not to exceed the amount specified opposite such Lender's name under on Schedule 2.01 under the caption "Closing Date Term Loan Commitment" or in the Assignment and Assumption (or Affiliated Lender Assignment and Assumption) pursuant to which such Term Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement (including pursuant to Section 2.14, 2.15 or 2.16). The initial aggregate amount of the Closing Date Term Loan Commitments as of June 10, 2015 was $1,250.00 million.

"**Closing Date Term Loans**" means the Term Loans made by the Lenders on the Closing Date pursuant to Section 2.01(1)(a)~~or~~, pursuant to Amendment No. 4 or pursuant to Amendment No. 5, as applicable. For the avoidance of doubt, the 2017 Refinancing Term Loans and the New 2017 Refinancing Term Loans shall constitute Closing Date Term Loans.

(e) the amount deducted as tax expense in determining Consolidated Net Income to the extent in excess of cash taxes paid in such period and

(f) cash receipts in respect of Hedge Agreements during such fiscal year to the extent not otherwise included in such Consolidated Net Income; over

(2) the sum, without duplication, of:

(a) an amount equal to the amount of all non-cash credits (including, to the extent constituting non-cash credits, amortization of deferred revenue acquired as a result of the Merger or any Permitted Acquisition or other investment permitted hereunder) included in arriving at such Consolidated Net Income (but excluding any non-cash credit to the extent representing the reversal of an accrual or reserve described in clause (1)(b) above) and cash losses, charges (including any reserves or accruals for potential cash charges in any future period), expenses, costs and fees excluded by virtue of clauses (1) through (15) of the definition of "Consolidated Net Income,"

(b) without duplication of amounts deducted pursuant to clause (k) below in prior fiscal years, the amount of Capital Expenditures, Capitalized Software Expenditures or acquisitions of intellectual property accrued or made in cash during such period, in each case except to the extent financed with the proceeds of Funded Debt (other than any Indebtedness under any revolving credit facilities) of the Borrower or any Restricted Subsidiary (unless such Indebtedness has been repaid),

(c) the aggregate amount of all principal payments of Indebtedness of the Borrower and the Restricted Subsidiaries (including (i) the principal component of payments in respect of Capitalized Lease Obligations, (ii) all scheduled principal repayments of Loans, the Senior Notes (or any Indebtedness representing Refinancing Indebtedness in respect thereof in accordance with the corresponding provisions of the governing documentation thereof), Permitted Incremental Equivalent Debt and Credit Agreement Refinancing Indebtedness, in each case to the extent such payments are permitted hereunder and actually made and (iii) the amount of any scheduled repayment of Term Loans pursuant to Section 2.07 and mandatory prepayment of Term Loans pursuant to Section 2.05(2)(b) or 2.05(2)(c), any mandatory Discharge of the Senior Notes pursuant to Section 4.10(d) of the Senior Notes Indenture (or any Indebtedness representing Refinancing Indebtedness in respect thereof in accordance with the corresponding provisions of the governing documentation thereof) and any mandatory Discharge of Permitted Incremental Equivalent Debt or Credit Agreement Refinancing Indebtedness pursuant to the corresponding provisions of the governing documentation thereof, in each case, to the extent required due to an Asset Sale or Casualty Event that resulted in an increase to Consolidated Net Income for such period and not in excess of the amount of such increase, but excluding (x) all other prepayments of Term Loans, (y) all prepayments of Revolving Loans and Swing Line Loans and all prepayments in respect of any other revolving credit facility, except to the extent there is an equivalent permanent reduction in commitments thereunder and (z) payments on any Subordinated Indebtedness, except in each case to the extent permitted to be paid pursuant to Section 7.05) made during such period, in each case, except to the extent financed with the proceeds of Funded Debt (other than any Indebtedness under any revolving credit facilities) of the Borrower or any Restricted Subsidiary (unless such Indebtedness has been repaid),

(d) [~~Reserved~~reserved];

(e) increases in Consolidated Working Capital (except as a result of the reclassification of items from short-term to long-term or vice versa) for such period,

(f) cash payments by the Borrower and the Restricted Subsidiaries during such period in respect of long-term liabilities of the Borrower and the Restricted Subsidiaries (other

claimed by any Person to be owed by the Borrower or any Restricted Subsidiary, until such time as such claim will have been settled or otherwise finally resolved, or paid or payable by the Borrower or any Restricted Subsidiary, in either case in respect of such Asset Sale or Casualty Event, any relocation expenses incurred as a result thereof, costs and expenses in connection with unwinding any Hedging Obligation in connection therewith, other fees and expenses, including title and recordation expenses, taxes paid or payable as a result thereof or any transactions occurring or deemed to occur to effectuate a payment under this Agreement, amounts required to be applied to the repayment of principal, premium, if any, and interest on Indebtedness (other than Subordinated Indebtedness) or amounts required to be applied to the repayments of Indebtedness secured by a Lien on such assets and required (other than required by Section 2.05(2)(b) to be paid as a result of such transaction and any deduction of appropriate amounts to be provided by the Borrower or any Restricted Subsidiary as a reserve in accordance with GAAP against any liabilities associated with the asset disposed of in such transaction and retained by the Borrower or any Restricted Subsidiary after such sale or other disposition thereof, including pension and other post-employment benefit liabilities and liabilities related to environmental matters or against any indemnification obligations associated with such transaction; *provided* that (a) subject to clause (b) below, no net cash proceeds calculated in accordance with the foregoing realized in a single transaction or series of related transactions shall constitute Net Proceeds unless such net cash proceeds shall exceed $10.0 million and (b) no such net cash proceeds shall constitute Net Proceeds under this clause (1) in any fiscal year until the aggregate amount of all such net cash proceeds in such fiscal year shall exceed $20.0 million (and thereafter only net cash proceeds in excess of such amount shall constitute Net Proceeds under this clause (1)); and

(2) (a) with respect to the incurrence or issuance of any Indebtedness by the Borrower or any Restricted Subsidiary or any Permitted Equity Issuance by the Borrower or any Parent Company, the excess, if any, of (i) the sum of the cash and Cash Equivalents received in connection with such incurrence or issuance over (ii) all taxes paid or reasonably estimated to be payable, and all fees (including investment banking fees, attorneys' fees, accountants' fees, underwriting fees and discounts), commissions, costs and other out-of-pocket expenses and other customary expenses incurred, in each case by the Borrower or such Restricted Subsidiary in connection with such incurrence or issuance and (b) with respect to any Permitted Equity Issuance by any Parent Company, the amount of cash from such Permitted Equity Issuance contributed to the capital of the Borrower;

provided that "Net Proceeds" shall not include, or apply to, the proceeds of the sale component of any Sale-Leaseback Transaction, although proceeds from Specified Sale-Leaseback Transactions shall be governed by the definition of "Specified Sale-Leaseback Net Proceeds".

"**New Facility**" means each new fitness center, club or exercise facility opened by the Borrower or a Restricted Subsidiary that has been open for commercial operations for less than two full calendar years.

"**New Facility EBITDA Adjustment**" means, for each New Facility, only to the extent it is a positive number:

(1) the product of (a) Average Return on Invested Capital and (b) to the extent it is a positive number, the aggregate amount of capital expenditures invested in such New Facility as of the facility opening date, less the net cash proceeds received for such New Facility from any Sale-Leaseback Transactions on or prior to such determination date, *minus*

(2) the actual Adjusted EBITDA of such New Facility for such period.

"**New 2017 Refinancing Term Lender**" means, at any time, each Lender with a New 2017 Refinancing Term Loan Commitment or, after the New 2017 Refinancing Term Loans are made or issued, holding a New 2017 Refinancing Term Loan at such time.

"**New 2017 Refinancing Term Loan**" means the "New 2017 Refinancing Term Loans" as defined in, and made and/or converted in accordance with Amendment No. 5.

"**New 2017 Refinancing Term Loan Commitment**" means, for any New 2017 Refinancing Term Lender, the amount set forth opposite such New 2017 Refinancing Term Lender's name on Schedule A to Amendment No. 5. The initial aggregate amount of the New 2017 Refinancing Term Loan Commitments is $217,361,777.56.

"**Nomura**" means Nomura Securities International, Inc.

"**Non-Consenting Lender**" has the meaning specified in Section 3.07.

"**Non-Defaulting Lender**" means, at any time, a Lender that is not a Defaulting Lender.

"**Non-Expiring Credit Commitment**" has the meaning specified in Section 2.04(7).

"**Non-Excluded Taxes**" means all Taxes other than Excluded Taxes imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document.

"**Non-Extension Notice Date**" has the meaning specified in Section 2.03(2)(c).

"**Non-Loan Party**" means any Subsidiary of the Borrower that is not a Loan Party.

"**Non-Recourse Indebtedness**" means Indebtedness that is non-recourse to the Borrower and the Restricted Subsidiaries.

"**Note**" means a Term Note, Revolving Note or Swing Line Note, as the context may require.

"**Notice of Intent to Cure**" has the meaning specified in Section 6.02(1).

"**Obligations**" means all

(1) advances to, and debts, liabilities, obligations, covenants and duties of, any Loan Party arising under any Loan Document or otherwise with respect to any Loan or Letter of Credit, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Loan Party of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding,

(2) obligations (other than Excluded Swap Obligations) of any Loan Party arising under any Secured Hedge Agreement and

(3) Cash Management Obligations under each Secured Cash Management Agreement. Without limiting the generality of the foregoing, the Obligations of the Loan Parties under the Loan Documents (and any of their Subsidiaries to the extent they have obligations under the Loan Documents) include the obligation (including guarantee obligations) to pay principal, interest, reimbursement obligations, charges, expenses, fees (including Letter of Credit fees), Attorney Costs, indemnities and other amounts payable by any Loan Party under any Loan Document.

Notwithstanding the foregoing, (a) unless otherwise agreed to by the Borrower and any applicable Hedge Bank or Cash Management Bank, the obligations of Holdings, the Borrower or any Subsidiary under any Secured Hedge Agreement and under any Secured Cash Management Agreement shall be secured and guaranteed pursuant to the Collateral Documents and the Guaranty only to the extent that, and for so long as, the other statement on Form S-8) pursuant to an effective registration statement filed with the SEC in accordance with the Securities Act (whether alone or in connection with a secondary public offering).

"**Qualifying Lender**" has the meaning specified in Section 2.05(1)(e)(D)(3).

"**Quarterly Financial Statements**" means the unaudited quarterly balance sheet and related statements of income and cash flows of the Acquired Company for the most recent fiscal quarter(s) ended after December 31, 2014 and at least 45 days prior to the Closing Date, in each case to the extent delivered to Initial Borrower pursuant to the Acquisition Agreement or otherwise.

"**Rating Agencies**" means Moody's and S&P, or if Moody's or S&P (or both) are not making ratings on the relevant obligations publicly available, a nationally recognized statistical rating agency or agencies, as the case may be, selected by the Borrower that will be substituted for Moody's or S&P (or both), as the case may be.

"**Ratio Amount**" has the meaning specified in the definition of "Permitted Incremental Amount".

"**RBC**" means Royal Bank of Canada.

"**RBCCM** " means RBC Capital Markets, LLC.

"**Reference Rate**" means (x) with respect to the calculation of the All-In Yield in the case of Loans of an applicable Class that includes a Eurodollar Rate floor, an interest rate per annum equal to the rate per annum equal to LIBOR, as published by Reuters (or such other commercially available source providing quotations of LIBOR as may be designated by the Administrative Agent from time to time) at approximately 11:00 a.m., London time, on such day for Dollar deposits with a term of three months, or if such rate is not available at such time for any reason, the rate per annum determined by the Administrative Agent to be the rate at which deposits in Dollars for delivery on such day with a term of three months would be offered by the Administrative Agent's London Branch to major banks in the London interbank eurodollar market at their request at approximately 11:00 a.m., London time, on such date and (y) with respect to the calculation of the All- In Yield in the case of Loans of an applicable Class that includes a Base Rate floor, the interest rate per annum equal to the highest of (a) the Federal Funds Rate *plus* 1/2 of 1%, (b) the rate of interest in effect for such day as publicly announced from time to time by the Administrative Agent as its "prime rate" and (c) the Eurodollar Rate on such day for an Interest Period of one (1) month *plus* 1.00% (or, if such day is not a Business Day, the immediately preceding Business Day).

"**Refinance**" has the meaning assigned in the definition of "Refinancing Indebtedness" and "**Refinancing**" and "**Refinanced**" have meanings correlative to the foregoing.

"**Refinanced Debt**" has the meaning assigned to such term in the definition of "Refinancing Indebtedness."

"**Refinancing Amendment**" means an amendment to this Agreement in form and substance reasonably satisfactory to the Administrative Agent and the Borrower executed by each of (a) the Borrower, (b) the Administrative Agent and (c) each Additional Lender and Lender that agrees to provide any portion of the Refinancing Loans or Refinancing Commitments being incurred or provided pursuant thereto, in accordance with Section 2.15.

"**Refinancing Commitments**" means any Refinancing Term Commitments or Refinancing Revolving Commitments.

"**Refinancing Indebtedness**" means (x) Indebtedness incurred by the Borrower or any Restricted Subsidiary, (y) Disqualified Stock issued by the Borrower or any Restricted Subsidiary or (z) Preferred Stock issued by any Restricted Subsidiary which, in each case, serves to extend, replace, refund, refinance, renew or defease

"**Release**" means any release, spill, emission, discharge, deposit, disposal, leaking, pumping, pouring, dumping, emptying, injection or leaching into the Environment.

"**Replaced Loans**" has the meaning specified in Section 10.01.

"**Replacement Loans**" has the meaning specified in Section 10.01.

"**Reportable Event**" means, with respect to any Pension Plan, any of the events set forth in Section 4043(c) of ERISA or the regulations issued thereunder, other than events for which the thirty (30) day notice period has been waived.

"**Repricing Transaction**" means (1) the incurrence by the Borrower of any Indebtedness (including any new or additional Term Loans under this Agreement, whether incurred directly or by way of the conversion of the New 2017 Refinancing Term Loans into a new tranche of replacement Term Loans under this Agreement) (a) having an All-In Yield that is less than the All-In Yield applicable to the New 2017 Refinancing Term Loans of the respective Type and (b) the proceeds of which are used to prepay (or, in the case of a conversion, deemed to prepay or replace), in whole or in part, the outstanding principal of the New 2017 Refinancing Term Loans or (2) any effective reduction in the All-In Yield applicable to the New 2017 Refinancing Term Loans (e.g., by way of amendment, waiver or otherwise); provided that a Repricing Transaction shall not include (i) any event described in clause (1) or (2) above that is not consummated for the primary purpose of lowering the All-In Yield applicable to the New 2017 Refinancing Term Loans (as determined in good faith by the Borrower), including any such event consummated in connection with a Change of Control, Qualifying IPO or Enterprise Transformative Event or (ii) any Sale-Leaseback Transaction.

"**Request for Credit Extension**" means (a) with respect to a Borrowing, conversion or continuation of Term Loans or Revolving Loans, a Committed Loan Notice, (b) with respect to an L/C Credit Extension, a L/C Application and (c) with respect to a Swing Line Loan, a Swing Line Loan Notice.

"**Required Facility Lenders**" means, as of any date of determination, with respect to one or more Facilities (other than any Revolving Facility), Lenders having more than 50% of the sum of the (a) aggregate principal amount of outstanding Loans under such Facility or Facilities and (b) aggregate unused Commitments under such Facility or Facilities; *provided* that (i) to the same extent specified in Section 10.07(i) with respect to determination of Required Lenders, the Loans of any Affiliated Lender shall in each case be excluded for purposes of making a determination of Required Facility Lenders unless the action in question affects such Affiliated Lender in a disproportionately adverse manner than its effect on the other Lenders and (ii) the portion of outstanding Loans and the unused Commitments of any such Facility, as applicable, held or deemed held by a Defaulting Lender shall be excluded for purposes of making a determination of Required Facility Lenders.

"**Required Lenders**" means, as of any date of determination, Lenders having more than 50% of the sum of the (a) aggregate Term Loan Exposure and (b) aggregate Revolving Exposure of all Lenders; *provided* that (i) the aggregate Term Loan Exposure and Revolving Exposure of or held by any Defaulting Lender shall be excluded for purposes of making a determination of the "Required Lenders" and (ii) any determination of Required Lenders shall be subject to the limitations set forth in Section 10.07(h) with respect to Affiliated Lenders.

"**Required Revolving Lenders**" means, as of any date of determination, Lenders having or holding more than 50% of the aggregate Revolving Exposure of all Lenders; *provided* that the Revolving Exposure of or held by any Defaulting Lender shall be excluded for purposes of making a determination of Required Revolving Lenders.

"**Responsible Officer**" means, with respect to a Person, the chief executive officer, chief operating officer, president, vice president, chief financial officer, treasurer or assistant treasurer or other similar officer or Person performing similar functions, of such Person. With respect to any document delivered by a Loan Party on the Closing Date, Responsible Officer includes any secretary or assistant secretary of such Loan Party. Any document delivered hereunder that is signed by a Responsible Officer of a Loan Party shall be conclusively presumed to have been authorized by all necessary corporate, partnership or other action on the part of such Loan

(3) The Borrower shall determine in good faith the Dollar Amount of any utilization or other measurement denominated in a currency other than Dollars for purposes of compliance with any Basket. For purposes of determining compliance with any Basket under Article VII or VIII with respect to any amount expressed in a currency other than Dollars, no Default shall be deemed to have occurred solely as a result of changes in rates of currency exchange occurring after the time such Basket utilization occurs or other Basket measurement is made (so long as such Basket utilization or other measurement, at the time incurred, made or acquired, was permitted hereunder). Except with respect to any ratio calculated under any Basket, any subsequent change in rates of currency exchange with respect to any prior utilization or other measurement of a Basket previously made in reliance on such Basket (as the same may have been reallocated in accordance with this Agreement) shall be disregarded for purposes of determining any unutilized portion under such Basket.

(4) For purposes of determining the First Lien Net Leverage Ratio and the Total Net Leverage Ratio, the amount of Indebtedness and cash and Cash Equivalents shall reflect the currency translation effects, determined in accordance with GAAP, of Hedging Obligations permitted hereunder for currency exchange risks with respect to the applicable currency in effect on the date of determination of the Dollar equivalent of such Indebtedness.

SECTION 1.11 Letters of Credit. Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the amount of the stated amount of such Letter of Credit in effect at such time after giving effect to any automatic reductions to such stated amount pursuant to the terms of the applicable Letter of Credit after the occurrence of any applicable condition (including the expiration of any applicable period); *provided, however,* that with respect to any Letter of Credit that, by its terms or the terms of any Issuing Bank Document related thereto, provides for one or more automatic increases in the stated amount thereof, the amount of such Letter of Credit shall be deemed to be the amount of the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at such time.

ARTICLE II

The Commitments and Borrowings

SECTION 2.01 The Loans.

(1) Term Borrowings. Subject to the terms and conditions set forth in Section 4.01 hereof, each Term Lender severally agrees (a) to make to the Borrower on the Closing Date one or more Closing Date Term Loans denominated in Dollars in an aggregate principal amount equal to such Term Lender's Closing Date Term Commitment on the Closing Date ~~and~~, (b) to make to the Borrower on the Amendment No. 4 Effective Date one or more 2017 Refinancing Term Loans denominated in Dollars in an aggregate principal amount equal to such Term Lender's 2017 Refinancing Term Loan Commitment on the Amendment No. 4 Effective Date and (c) to make to the Borrower on the Amendment No. 5 Effective Date one or more New 2017 Refinancing Term Loans denominated in Dollars in an aggregate principal amount equal to such Term Lender's New 2017 Refinancing Term Loan Commitment on the Amendment No. 5 Effective Date. Amounts borrowed under this Section 2.01(1) and repaid or prepaid may not be reborrowed. The Closing Date Term Loans may be Base Rate Loans or Eurodollar Rate Loans, as further provided herein.

(2) Revolving Borrowings. Subject to the terms and conditions set forth herein, each Revolving Lender severally agrees to make loans denominated in Dollars or one or more Alternative Currencies pursuant to Section 2.02 from its applicable Lending Office (each such loan, a "**Revolving Loan")** to the Borrower from time to time, on any Business Day during the period from the Closing Date until the Maturity Date, in an aggregate principal Dollar Amount not to exceed at any time outstanding the amount of such Lender's Revolving Commitment; *provided* that after giving effect to any Revolving Borrowing, (a) the aggregate principal Dollar Amount of Total Revolving Outstandings denominated in Canadian Dollars will not exceed $25.0 million and (b) the aggregate Outstanding Amount of the Revolving Loans of any Lender, plus such Lender's Pro Rata Share or other applicable share provided for under this Agreement of the Outstanding Amount of all L/C Obligations, *plus,* in the case of each Lender other than the Swing Line Lender, such Lender's Pro Rata Share or other applicable share provided for under this Agreement of the Outstanding Amount of all Swing Line Loans, shall not exceed such termination would have resulted from a refinancing of all of the applicable Facility, which refinancing shall not be consummated or otherwise shall be delayed.

(2) Mandatory. ~~The~~Each of (i) the Closing Date Term Commitment of each Term Lender on the Closing Date ~~and~~, (ii) the 2017 Refinancing Term Loan Commitment of each 2017 Refinancing Term Lender on the Amendment No. 4 Effective Date and (iii) the New 2017 Refinancing Term Loan Commitment of each New 2017 Refinancing Term Lender on the Amendment No. 5 Effective Date, shall be automatically and permanently reduced to $0 upon the making of such Lender's Closing Date Term Loans ~~or~~, 2017 Refinancing Term Loans or New 2017 Refinancing Term Loans, respectively, to the Borrower pursuant to Section 2.01(1). The Revolving Commitment of each Revolving Lender shall automatically and permanently terminate on the Maturity Date for the applicable Revolving Facility.

(3) Application of Commitment Reductions; Payment of Fees. The Administrative Agent will promptly notify the Appropriate Lenders of any termination or reduction of unused portions of the L/C Sublimit, Swing Line Sublimit or the unused Commitments of any Class under this Section 2.06. Upon any reduction of unused Commitments of any Class, the Commitment of each Lender of such Class shall be reduced by such Lender's Pro Rata Share or other applicable share provided for under this Agreement of the amount by which such Commitments are reduced (other than the termination of the Commitment of any Lender as provided in Section 3.07). Any commitment fees accrued until the effective date of any termination of the Revolving Commitments shall be paid on the effective date of such termination.

SECTION 2.07 Repayment of Loans.

(1) Term Loans. The Borrower shall repay to the Administrative Agent for the ratable account of the Appropriate Lenders as follows:

(a) on the last Business Day of each March, June, September and December an aggregate principal amount equal to the amount corresponding to such fiscal quarter in the table below (which payments shall be reduced as a result of the application of prepayments in accordance with the order of priority set forth in Section 2.05):~~+~~

Fiscal Quarter Ended	Principal Amount to be Repaid
~~March 31, 2017~~	~~$ 3,326,235.83~~
~~June 30, 2017~~	~~$ 3,326,235.83~~
~~September 31, 2017~~	~~$ 3,326,235.83~~
December 31, 2017	$ ~~3,326,235.83~~3,301,289.06
March 31, 2018	$ ~~3,326,235.83~~3,301,289.06
June 30, 2018	$ ~~3,326,235.83~~3,301,289.06
September 31, 2018	$ ~~3,326,235.83~~3,301,289.06
December 31, 2018	$ ~~3,326,235.83~~3,301,289.06
March 31, 2019	$ ~~3,326,235.83~~3,301,289.06

~~+ NTD: 0.25% of the aggregate principal amount of the term loans on the refinancing effective date.~~

June 30, 2019	$ ~~3,326,235.83~~3,301,289.06
September 31, 2019	$ ~~3,326,235.83~~3,301,289.06
December 31, 2019	$ ~~3,326,235.83~~3,301,289.06
March 31, 2020	$ ~~3,326,235.83~~3,301,289.06
June 30, 2020	$ ~~3,326,235.83~~3,301,289.06
September 31, 2020	$ ~~3,326,235.83~~3,301,289.06
December 31, 2020	$ ~~3,326,235.83~~3,301,289.06
March 31, 2021	$ ~~3,326,235.83~~3,301,289.06
June 30, 2021	$ ~~3,326,235.83~~3,301,289.06
September 31, 2021	$ ~~3,326,235.83~~3,301,289.06
December 31, 2021	$ ~~3,326,235.83~~3,301,289.06
March 31, 2022	$ ~~3,326,235.83~~3,301,289.06

; and

(b) on the Maturity Date for the Term Loans, the aggregate principal amount of all Term Loans outstanding on such date. In connection with any Incremental Term Loans that constitute part of the same Class as the Closing Date Term Loans, the Borrower and the Administrative Agent shall be permitted to adjust the rate of prepayment in respect of such Class such that the Term Lenders holding Closing Date Term Loans comprising part of such Class continue to receive a payment that is not less than the same dollar amount that such Term Lenders would have received absent the incurrence of such Incremental Term Loans.

(2) Revolving Loans. The Borrower shall repay to the Administrative Agent for the ratable account of the Appropriate Lenders on the Maturity Date for the applicable Revolving Facility the aggregate principal amount of all Revolving Loans under such Facility outstanding on such date.

(3) Swing Line Loans. The Borrower shall repay the aggregate principal amount of each Swing Line Loan on the earlier to occur of (a) the date selected by Swing Line Lender and (b) the Maturity Date for the applicable Revolving Facility.

SECTION 2.08 Interest.

(1) Subject to the provisions of Section 2.08(2), (a) each Eurodollar Rate Loan and CDOR Loan shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate per annum equal to the Eurodollar Rate or CDOR Rate for such Interest Period, respectively, *plus* the Applicable Rate, (b) each Base Rate Loan shall bear interest on the outstanding principal amount thereof from the applicable Borrowing date at a rate per annum equal to the Base Rate, *plus* the Applicable Rate and (c) each Swing Line Loan shall bear interest as provided in Section 2.04(1).

(2) During the continuance of a Default under Section 8.01(1), the Borrower shall pay interest on past due amounts hereunder at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws; *provided* that no interest at the Default Rate shall accrue or be payable to a

to, and immediately after giving effect to, the incurrence of such Incremental Facilities and the initial Borrowings thereunder; *provided* that, if the proceeds of the initial Borrowings under such Incremental Facilities will be used to finance, in whole or in part, an Investment or other acquisition or investment permitted hereunder, the condition set forth in this clause (b) may be waived (or not required) by the Persons providing more than 50% of such Incremental Facilities (other than with respect to (i) the Specified Representations (conformed as reasonably necessary for such Investment, acquisition or investment) and (ii) the Specified Acquisition Agreement Representations as applied to the target of such Investment, acquisition or investment (conformed as reasonably necessary for such Investment, acquisition or investment) and only to the extent that the failure of such Specified Acquisition Agreement Representations would result in a failure of a condition precedent to the obligation of the Borrower or any Restricted Subsidiary to consummate such Investment, acquisition or investment).

(7) Terms. Each Incremental Amendment will set forth the amount and terms of the relevant Incremental Facility. The terms of each Incremental Facility will be as agreed between the Borrower and the Persons providing such Incremental Loans; *provided* that:

(a) the final maturity date of such Incremental Term Loans will be no earlier than the Latest Maturity Date of the Closing Date Term Loans;

(b) the Weighted Average Life to Maturity of such Incremental Term Loans will be no shorter than the longest remaining Weighted Average Life to Maturity of the Closing Date Term Loans;

(c) such Incremental Term Loans may participate on a *pro rata* basis or a less than *pro rata* basis (but not greater than a *pro rata* basis) in any mandatory repayments or prepayments of the Term Loans (in each case, other than pursuant to a refinancing or with respect to greater than *pro rata* payments to an earlier maturing tranche) and may participate on a *pro rata* basis, less than *pro rata* basis or greater than *pro rata basis* in any voluntary prepayments of the Term Loans; and

(d) except as otherwise set forth herein, all other terms of any (i) Term Loan Increase or a Revolving Commitment Increase will be on terms and pursuant to documentation applicable to the Class of Term Loans or Revolving Commitments, as applicable, being increased by such Term Loan Increase or Revolving Commitment Increase, as applicable, and (ii) Incremental Facility shall be on terms and pursuant to documentation to be determined by the Borrower and the providers of such Incremental Facility, *provided* that, in each case, the operational and agency provisions contained in such documentation shall be reasonably satisfactory to the Administrative Agent

(8) Pricing. The interest rate, fees, and original issue discount for any Incremental Facilities will be as determined by the Borrower and the Persons providing such Incremental Facilities; *provided* that in the event that the All-In Yield applicable to any Incremental Term Loans exceeds the All-In Yield of any New 2017 Refinancing Term Loans by more than 50 basis points, then the interest rate margins for such New 2017 Refinancing Term Loans shall be increased to the extent necessary so that the All-In Yield of such New 2017 Refinancing Term Loans is equal to the All-In Yield of such Incremental Term Loans *minus* 50 basis points; *provided further* that any increase in All-In Yield of the New 2017 Refinancing Term Loans due to the increase in a Eurodollar Rate or Base Rate floor on any Incremental Term Loan shall be effected solely through an increase in any Eurodollar Rate or Base Rate floor applicable to such New 2017 Refinancing Term Loans.

(9) Reallocation of Revolving Exposure. Upon each Revolving Commitment Increase pursuant to this Section 2.14,

(a) each Revolving Lender immediately prior to such increase will automatically and without further act be deemed to have assigned to each lender providing a portion of such increase (each an "**Incremental Revolving Lender**"), and each such Incremental Revolving Lender will automatically and without further act be deemed to have assumed, a portion of such Revolving Lender's participations hereunder in outstanding Letters of Credit and Swing Line Loans such that, after giving effect to each such deemed assignment and assumption of participations, the percentage of the aggregate effect to such Swing Line Loan and (ii) no Issuing Bank shall be required to issue, extent, renew or increase any Letter of Credit unless it is satisfied that it will have no Fronting Exposure after giving effect thereto.

SECTION 2.18 Loan Repricing Protection.

In the event that, on or prior to the six month anniversary of the Amendment No.45 Effective Date, the Borrower (a) makes any prepayment of Closing Date Term Loans in connection with any Repricing Transaction or (b) effects any amendment of this Agreement resulting in a Repricing Transaction, the Borrower shall pay to the Administrative Agent, for the ratable account of each applicable Lender, (i) in the case of clause (a), a prepayment premium of 1.00% of the aggregate principal amount of the Closing Date Term Loans being prepaid and (ii) in the case of clause (b), a payment equal to 1.00% of the aggregate principal amount of the applicable Closing Date Term Loans outstanding immediately prior to such amendment that is subject to such Repricing Transaction.

ARTICLE III

Taxes, Increased Costs Protection and Illegality

SECTION 3.01 Taxes.

(1) Except as required by applicable Law, any and all payments by any Loan Party to or for the account of any Agent or any Lender under any Loan Document shall be made free and clear of and without deduction for any Taxes.

(2) If any Loan Party or any other applicable withholding agent is required by applicable Law to make any deduction or withholding on account of any Taxes from any sum paid or payable by any Loan Party to any Lender or Agent under any of the Loan Documents:

(a) the applicable Loan Party shall notify the Administrative Agent of any such requirement or any change in any such requirement as soon as such Loan Party becomes aware of it;

(b) the applicable Loan Party or other applicable withholding agent shall be entitled to make such deduction or withholding and shall pay any amounts deducted or withheld to the relevant Governmental Authority any such Tax before the date on which penalties attach thereto, such payment to be made (if the liability to pay is imposed on any Loan Party) for its own account or (if that liability is imposed on the Lender or Agent) on behalf of and in the name of the Lender or Agent (as applicable);

(c) if the Tax in question is a Non-Excluded Tax or Other Tax, the sum payable to such Lender or Agent (as applicable) shall be increased by such Loan Party to the extent necessary to ensure that, after the making of any required deduction or withholding for Non-Excluded Taxes or Other Taxes (including any deductions or withholdings for Non-Excluded Taxes or Other Taxes attributable to any payments required to be made under this Section 3.01), the Lender or the Agent (as applicable) receives on the due date a net sum equal to what it would have received had no such deduction or withholding been required or made; and

(d) within thirty days after paying any sum from which it is required by Law to make any deduction or withholding, and within thirty days after the due date of payment of any Tax which it is required by clause (b) above to pay, the Borrower shall deliver to the Administrative Agent evidence reasonably satisfactory to the other affected parties of such deduction or withholding and of the remittance thereof to the relevant Governmental Authority.

(3) Status of Lender. The Administrative Agent and each Lender shall, at such times as are reasonably requested by the Borrower or the Administrative Agent, provide the Borrower and the Administrative Agent with any documentation prescribed by Laws or reasonably requested by the Borrower or the Administrative

case certified to the Collateral Agent if deemed necessary by Collateral Agent in its reasonable discretion, sufficient for the title insurance company issuing a Mortgage Policy to remove the standard survey exception and issue standard survey related endorsements and otherwise reasonably satisfactory to the Collateral Agent (if reasonably requested by the Collateral Agent);

(v) a completed "Life-of-Loan" Federal Emergency Management Agency standard flood hazard determination with respect to each Material Real Property containing improved land addressed to the Collateral Agent and otherwise in compliance with the Flood Insurance Laws, and if any such Material Real Property is located in an area determined by the Federal Emergency Management Agency (or any successor agency) to be a special flood hazard area, the Borrower's duly executed acknowledgement of receipt of written notification from the Collateral Agent about special flood hazard area status and flood disaster assistance and evidence that the Borrower or applicable Loan Party has obtained flood insurance reasonably satisfactory to the Collateral Agent that is in compliance with all applicable requirements of the Flood Insurance Laws; and

(vi) as promptly as practicable after the reasonable request therefor by the Collateral Agent, environmental assessment reports and reliance letters (if any) that have been prepared in connection with such acquisition, designation or formation of any Material Domestic Subsidiary or acquisition of any Material Real Property.

SECTION 6.12 Compliance with Environmental Laws. Except, in each case, to the extent that the failure to do so would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (1) comply, and take all reasonable actions to cause any lessees and other Persons operating or occupying its properties to comply, with all applicable Environmental Laws and Environmental Permits (including any cleanup, removal or remedial obligations) and (2) obtain and renew all Environmental Permits required to conduct its operations or in connection with its properties.

SECTION 6.13 Further Assurances and Post-Closing Covenant.

(1) Subject to the provisions of the Collateral and Guarantee Requirement and any applicable limitations in any Collateral Document and in each case at the expense of the Borrower, promptly upon reasonable request from time to time by the Administrative Agent or the Collateral Agent or as may be required by applicable Laws (a) correct any material defect or error that may be discovered in the execution, acknowledgment, filing or recordation of any Collateral Document or other document or instrument relating to any Collateral, and (b) do, execute, acknowledge, deliver, record, re-record, file, re-file, register and re-register any and all such further acts, deeds, certificates, assurances and other instruments as the Administrative Agent or Collateral Agent may reasonable request from time to time in order to carry out more effectively the purposes of the Collateral Documents and to satisfy the Collateral and Guarantee Requirement.

(2) As promptly as practicable, and in any event no later than ninety (90) days after the Closing Date or such later date as the Administrative Agent reasonably agrees to in writing, including to reasonably accommodate circumstances unforeseen on the Closing Date, deliver the documents or take the actions required pursuant to sub clauses (i) through (vi) of Section 6.11(2)(b) hereof with respect to any Mortgaged Properties listed in Schedule 1.01(2), including the Phase I Environmental Site Assessments prepared by EMG in connection with the Transactions, as if notice had been provided with respect to such Mortgaged Properties listed in Schedule 1.01(2), except to the extent otherwise agreed by the Administrative Agent pursuant to its authority as set forth in the definition of the term "Collateral and Guarantee Requirement."

SECTION 6.14 Use of Proceeds.

(1) The proceeds of the Closing Date Term Loans (other than the2017 Refinancing Term Loans and the New 2017 Refinancing Term Loans) and Closing Date Revolving Borrowings, together with the proceeds of the Equity Contribution and the Senior Notes, will be used on the Closing Date to (a) repay Indebtedness incurred under the Existing Credit Agreement and certain other Indebtedness, in each case together with any premium and accrued and unpaid interest thereon and any fees and expenses with respect thereto, (b) pay (i) any original issue

(e) any Investment, Capital Stock, assets, property or capital or other expenditure of the kind referred to in Section 2.05(2)(b)(~~v~~ii).

To the extent any Collateral is disposed of as expressly permitted by this Section 7.04 to any Person other than a Loan Party, such Collateral shall automatically be sold free and clear of the Liens created by the Loan Documents, and, if requested by the Administrative Agent, upon the certification by the Borrower that such disposition is permitted by this Agreement, the Administrative Agent and the Collateral Agent shall be authorized to take any actions deemed appropriate in order to effect the foregoing.

In addition, none of the Borrower or any Restricted Subsidiary shall enter into any Sale-Leaseback Transaction unless (1) at the time of the consummation thereof no Event of Default has occurred and is continuing, and (2) such Sale-Leaseback Transaction is conducted as an arm's-length basis and is for fair market value of the applicable property as determined by a Responsible Officer of the Borrower in good faith.

SECTION 7.05 Restricted Payments.

(a) The Borrower shall not, nor shall the Borrower permit any Restricted Subsidiary to, directly or indirectly:

(A) declare or pay any dividend or make any payment or distribution on account of the Borrower's or any Restricted Subsidiary's Equity Interests (in each case, solely in such Person's capacity as holder of such Equity Interests), including any dividend or distribution payable in connection with any merger, amalgamation or consolidation, other than:

(i) dividends, payments or distributions payable solely in Equity Interests (other than Disqualified Stock) of the Borrower or a Parent Company or in options, warrants or other rights to purchase such Equity Interests; or

(ii) dividends, payments or distributions by a Restricted Subsidiary so long as, in the case of any dividend, payment or distribution payable on or in respect of any class or series of securities issued by a Restricted Subsidiary other than a wholly owned Subsidiary, the Borrower or a Restricted Subsidiary receives at least its pro rata share of such dividend, payment or distribution in accordance with its Equity Interests in such class or series of securities or such other amount to which it is entitled pursuant to the terms of such Equity Interest;

(B) purchase, redeem, defease or otherwise acquire or retire for value any Equity Interests of the Borrower or any Parent Company, including in connection with any merger, amalgamation or consolidation, in each case held by Persons other than the Borrower or a Restricted Subsidiary;

(C) make any principal payment on, or redeem, repurchase, defease or otherwise acquire or retire for value, in each case, prior to any scheduled repayment, sinking fund payment or final maturity, any Subordinated Indebtedness, other than:

(i) Indebtedness permitted under clauses (7), (8) and (9) of Section 7.02(b); or

(ii) the payment, redemption, repurchase, defeasance, acquisition or retirement for value of Subordinated Indebtedness purchased in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of such payment, redemption, repurchase, defeasance, acquisition or retirement; or

(D) make any Restricted Investment;

binding upon, and to be observed or performed by, the Borrower. Each Agent and each Lender hereby consents to the Assumption.

SECTION 10.26 Judgment Currency. If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder or any other Loan Document in one currency into another currency, the rate of exchange used shall be that at which in accordance with normal banking procedures the Administrative Agent could purchase the first currency with such other currency on the Business Day preceding that on which final judgment is given. The obligation of the Borrower in respect of any such sum due from it to the Administrative Agent or the Lenders hereunder or under the other Loan Documents shall, notwithstanding any judgment in a currency (the "**Judgment Currency**") other than that in which such sum is denominated in accordance with the applicable provisions of this Agreement (the "**Agreement Currency**"), be discharged only to the extent that on the Business Day following receipt by the Administrative Agent of any sum adjudged to be so due in the Judgment Currency, the Administrative Agent may in accordance with normal banking procedures purchase the Agreement Currency with the Judgment Currency. If the amount of the Agreement Currency so purchased is less than the sum originally due to the Administrative Agent from the Borrower in the Agreement Currency, the Borrower agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Administrative Agent or the Person to whom such obligation was owing against such loss. If the amount of the Agreement Currency so purchased is greater than the sum originally due to the Administrative Agent in such currency, the Administrative Agent agrees to return the amount of any excess to the Borrower (or to any other Person who may be entitled thereto under applicable Law).

SECTION 10.27 Recognition of EU Bail-In.

(a) Notwithstanding anything to the contrary in this Agreement, any Loan Document thereunder or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising in connection with any New 2017 Refinancing Term Loans (or any Loan Document thereunder) contemplated by this Agreement, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(i) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

(ii) the effects of any Bail-in Action on any such liability, including, if applicable:

(A) a reduction in full or in part or cancellation of any such liability;

(B) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(C) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

(b) As used in this Agreement, the following terms have the meanings specified below:

(i) "Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

(ii) "Bail-In Legislation" means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the

MORTGAGED PROPERTIES

Site	Address
Algonquin	451 Rolls Road, Algonquin, IL 60102
Bloomington South	1001 West 98th Street, Bloomington, MN 55431
Boca Raton	1499 Yamato Road, Boca Raton, FL 33431
Castle Creek	8705 Castle Creek Parkway East Dr., Indianapolis, IN 46250
Champions	7717 Willow Chase Blvd, Houston, TX 77070
Cinco Ranch	23211 Cinco Ranch Blvd., Katy, TX 77494
City Centre Houston	815 Town & Country Lane, Houston, TX 77024
Commerce Township	2901 Commerce Crossing, Commerce Township, MI 48390
Corporate Office Building 1	2902 Corporate Place, Chanhassen, MN 55317
Eagan	1565 Thomas Center Drive, Eagan, MN 55122
Eden Prairie	755 Prairie Center Drive, Eden Prairie, MN 55344
Flower Mound	3100 Churchill Drive, Flower Mound, TX 75022
Fridley	1200 East Moore Lake Drive, Fridley, MN 55432
Garland	5602 Naaman Forest Blvd., Garland, TX 75044
Green Valley	121 Carnegie Street, Henderson, NV 89074
Highland Park Office Building	2145 -2177 Ford Parkway, St. Paul, MN 55116
Kingwood	20515 West Lake Houston Pkwy, Humble, TX 77346 Life
Time Athletic Centennial - Tennis Addition	5100 E Dry Creek Road, Centennial, CO 80122
Life Time Athletic Plano - Tennis Addition	7090 Preston Road, Plano, TX 75024
Maple Grove	12601 82nd Ave. N., Maple Grove, MN 55369
Minnetonka	3310 County Road 101 South, Minnetonka, MN 55391
Novi	40000 High Pointe Boulevard, Novi, MI 48375
Old Orchard	5300 Old Orchard Road, Skokie, IL 60077
Overland Park	6800 West 138th Street, Overland Park, KS 66223
Plano	7100 Preston Road, Plano, TX 75024
Shelby Township	14843 Lakeside Blvd. N., Shelby Township, MI 48315
Sugar Land	1331 Highway 6, Sugar Land, TX 77478
Tempe	1616 West Ruby Drive, Tempe, AZ 85284
Troy	4700 Investment Drive, Troy, MI 48098
White Bear Lake	4800 White Bear Parkway, White Bear Lake, MN 55110

Exhibit 10.7

EXECUTION VERSION

SIXTH AMENDMENT TO CREDIT AGREEMENT

This SIXTH AMENDMENT TO THE CREDIT AGREEMENT, dated as of November 29, 2017 (this "**Sixth Amendment**"), by and among LTF INTERMEDIATE HOLDINGS, INC., a Delaware corporation ("**Holdings**"), LIFE TIME, INC. (formerly known as LIFE TIME FITNESS, INC.), a Minnesota corporation and successor in interest to LTF MERGER SUB, INC., as borrower (the "**Borrower**"), the Subsidiary Guarantors party hereto, DEUTSCHE BANK AG NEW YORK BRANCH, as administrative agent (in such capacity, including any successor thereto, the "**Administrative Agent**"), the Issuing Bank, the Swing Line Lender and each party executing this Amendment as a 2017 Extending Revolving Lender (each, a "**2017 Extending Revolving Lender**"). Unless otherwise indicated, all capitalized terms used herein and not otherwise defined shall have the respective meanings provided such terms in the Credit Agreement referred to below (as amended by this Sixth Amendment).

W I T N E S S E T H:

WHEREAS, the Borrower, Holdings, the Lenders from time to time party thereto and the Administrative Agent are parties to a Credit Agreement, dated as of June 10, 2015 (as amended by that certain Technical Amendment No. 1, dated as of July 21, 2015, that certain Technical Amendment. No. 2, dated as of September 14, 2015, that certain Third Amendment to the Credit Agreement dated as of June 9, 2016, that certain Fourth Amendment to the Credit Agreement dated as of January 27, 2017 and that certain Fifth Amendment to the Credit Agreement dated as of November 15, 2017, the "**Credit Agreement**");

WHEREAS, on the date hereof, there are Revolving Commitments under the Credit Agreement in effect in an aggregate committed amount of $250,000,000.00 (the "**Existing Revolving Commitments**");

WHEREAS, on the date hereof, there are outstanding Revolving Loans under the Credit Agreement in an aggregate principal amount of $0 (the "**Existing Revolving Loans**");

WHEREAS, on the date hereof, each 2017 Extending Revolving Lender holds (i) Existing Revolving Loans in an aggregate principal amount set forth opposite such 2017 Extending Revolving Lender's name on the 2017 Extending Revolving Commitment Schedule (as hereinafter defined) (the "**Existing Extended Revolving Loans**") and (ii) Existing Revolving Commitments in an aggregate principal amount set forth opposite such 2017 Extending Revolving Lender's name on the 2017 Extending Revolving Commitment Schedule (the "**Existing Extended Revolving Commitments**");

WHEREAS, Section 2.16 of the Credit Agreement permits the Lenders of any Class of the Revolving Facility with a like Maturity Date, upon request of the Borrower, to extend the Maturity Date with respect to all or a portion of its Revolving Commitments by converting all or a portion of its Revolving Commitments under such Class of the Revolving Facility into Extended Revolving Commitments pursuant to the procedures described therein;

WHEREAS, in accordance with such procedures, the Borrower has requested that each Revolving Lender extend the scheduled termination of its Existing Revolving Commitment and certain of the Revolving Lenders have agreed to do so;

WHEREAS, in accordance with the provisions of Sections 2.16 and 10.01 of the Credit Agreement, the Borrower, Holdings, the Administrative Agent, the Issuing Bank, the Swing Line Lender

and the 2017 Extending Revolving Lenders wish to amend the Credit Agreement to enable the Borrower to, among other things, extend the Maturity Date with respect to the 2017 Extending Revolving Lenders' (i) Existing Extended Revolving Loans outstanding and (ii) Existing Extended Revolving Commitments in effect, in each case, immediately prior to the Sixth Amendment Effective Date (as hereinafter defined); and

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed as follows:

SECTION 1. Amendments to Credit Agreement.

(a) 2017 Extending Revolving Commitments and 2017 Extending Revolving Loans.

(i) Subject to the satisfaction (or waiver) of the conditions set forth in Section 2 hereof and in reliance upon the representations and warranties set forth in Section 4 hereof, the 2017 Extending Revolving Lenders severally, but not jointly, hereby agree (x) to establish Extended Revolving Commitments by converting their respective Existing Extended Revolving Commitments into Revolving Commitments under the 2017 Initial Revolving Facility (as defined in the Credit Agreement after giving effect to this Sixth Amendment) in an amount equal to their respective Existing Extended Revolving Commitments (the "**2017 Extending Revolving Commitments**"), (y) that automatically upon the effectiveness of this Sixth Amendment on the Sixth Amendment Effective Date and without any further action by any Person, each 2017 Extending Revolving Lender's Existing Extended Revolving Loans outstanding on the Sixth Amendment Effective Date shall be deemed to have been converted into, and, for all purposes of the Credit Agreement and the other Loan Documents, shall constitute, Extended Revolving Loans (the "**2017 Extending Revolving Loans**") under the 2017 Initial Revolving Facility in an outstanding principal amount equal to such 2017 Extending Revolving Lender's Existing Extended Revolving Loans and (z) that the Administrative Agent may take whatever administrative actions it deems necessary and appropriate to reflect the foregoing in the Register.

(ii) The Administrative Agent has prepared a schedule attached hereto as Schedule A (the "**2017 Extending Revolving Commitment Schedule**") which sets forth (x) the Existing Extended Revolving Loans of each 2017 Extending Revolving Lender and (y) the Existing Extended Revolving Commitments of each 2017 Extending Revolving Lender.

(iii) (x) The 2017 Extending Revolving Commitments shall be designated as a new Class of Revolving Commitments under the Revolving Facility and (y) 2017 Extending Revolving Loans shall be designated as a new Class of Revolving Loans under the Revolving Facility, in each case, with terms and provisions identical to the Existing Revolving Commitments and Existing Revolving Loans, as applicable, except as set forth herein.

(b) Additional Credit Agreement Amendments. Each of the parties hereto agrees that, subject to the satisfaction (or waiver) of the conditions set forth in Section 2 hereof and upon the establishment of the 2017 Extending Revolving Commitments and the conversion of the Existing Extended Revolving Loans into the 2017 Extending Revolving Loans, the Credit Agreement shall be amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the double-underlined text (indicated textually in the same manner as the following example: double-underlined text) as set forth in the pages of the Credit Agreement attached as Annex I hereto.

SECTION 2. Conditions of Effectiveness of this Sixth Amendment. This Sixth Amendment shall become effective and each 2017 Extending Revolving Lender shall establish the 2017 Extending Revolving Commitment to be established by it and disburse the 2017 Extending Revolving Loan to be made by it, in each case, pursuant to Section 1(a) on the date (the "**Sixth Amendment Effective Date**") when the following conditions shall have been satisfied (or waived):

(a) the Administrative Agent (or its counsel) shall have received from the Borrower, Holdings, each Guarantor, the Administrative Agent, the Issuing Bank, the Swing Line Lender and each 2017 Extending Revolving Lender counterparts of this Sixth Amendment signed on behalf of such parties (including by way of facsimile or other electronic transmission);

(b) substantially simultaneously with the establishment of the 2017 Extending Revolving Commitments and the conversion of the Existing Extended Revolving Loans into of the 2017 Extending Revolving Loans, the Borrower shall have paid, by wire transfer of immediately available funds (x) all reasonable and documented in reasonable detail costs, fees, out-of-pocket expenses (including the reasonable and documented in reasonable detail fees, disbursements and other charges of Davis Polk & Wardwell LLP in connection with this Sixth Amendment), and in the case of the costs and out-of-pocket expenses, to the extent invoiced at least one Business Day prior to the Sixth Amendment Effective Date and (y) to each 2017 Extending Revolving Lender, a consent fee equal to 0.15% of such 2017 Extending Revolving Lender's 2017 Extending Revolving Commitment established pursuant to this Sixth Amendment;

(c) on the Sixth Amendment Effective Date and after giving effect to this Sixth Amendment, the establishment of the 2017 Extending Revolving Commitments and the conversion of the Existing Extended Revolving Loans into the 2017 Extending Revolving Loans, (i) no Default or Event of Default shall have occurred and be continuing and (ii) all of the representations and warranties of each Loan Party contained in this Sixth Amendment, the Credit Agreement and the other Loan Documents shall be true and correct in all material respects before and after the effectiveness of this Sixth Amendment, the establishment of the 2017 Extending Revolving Commitments and the conversion of the Existing Extended Revolving Loans into the 2017 Extending Revolving Loans or the application of the proceeds thereof; provided that, to the extent that such representations and warranties specifically refer to an earlier date, they shall be true and correct in all material respects as of such earlier date; provided, further, that any representation and warranty that is qualified as to "materiality," "Material Adverse Effect" or similar language shall be true and correct (after giving effect to any qualification therein) in all respects on and as of the Sixth Amendment Effective Date or such earlier date;

(d) the Administrative Agent shall have received a certificate executed by a Responsible Officer of the Borrower certifying compliance with the requirements of the preceding clause (c);

(e) there shall have been delivered to the Administrative Agent (A) certificates of good standing from the secretary of state of the state of organization of each Loan Party (to the extent such concept exists in such jurisdiction), customary certificates of resolutions or other action, and incumbency certificates, (B) a certificate of a Responsible Officer of the Borrower (which may be contained in the same certificate as the certificate delivered pursuant to the preceding clause (e)), certifying that since the Amendment No. 5 Effective Date, except as attached to such certificate, there have been no changes to the Organizational Documents of the Loan Parties and/or attaching copies of any such Organizational Documents that have changed since the Amendment No. 5 Effective Date and (C) a solvency certificate from a Responsible Officer of the Borrower (after giving effect to the establishment of the 2017 Extending Revolving Commitments and the borrowing of the 2017 Extending Revolving Loans) substantially in the form attached to the Credit Agreement as Exhibit I; and

(f) the Administrative Agent shall have received an opinion from (i) Latham & Watkins LLP, special New York counsel to the Loan Parties and (ii) Faegre Baker Daniels LLP, special Minnesota counsel to the Loan Parties, in each case in form and substance reasonably satisfactory to the Administrative Agent and addressed to the Administrative Agent and the 2017 Extending Revolving Lenders.

SECTION 3. Representations and Warranties. To induce the Administrative Agent, the Issuing Bank, the Swing Line Lender and the 2017 Extending Revolving Lenders party hereto to enter into this Sixth Amendment, each of the Borrower and Holdings represents and warrants to the Administrative Agent, the Issuing Bank, the Swing Line Lender and the 2017 Extending Revolving Lenders party hereto on and as of the Sixth Amendment Effective Date:

(a) all of the representations and warranties of each Loan Party contained in the Credit Agreement and the other Loan Documents are true and correct in all material respects on and as of the Sixth Amendment Effective Date; provided that, to the extent that such representations and warranties specifically refer to an earlier date, they shall be true and correct in all material respects as of such earlier date; provided further that any representation and warranty that is qualified as to "materiality," "Material Adverse Effect" or similar language shall be true and correct (after giving effect to any qualification therein) in all respects on and as of the Sixth Amendment Effective Date or such earlier date; and

(b) no Default or Event of Default exists as of the Sixth Amendment Effective Date, or would result from the establishment of the 2017 Extending Revolving Commitments, the conversion of the Existing Extended Revolving Loans into the 2017 Extending Revolving Loans or the application of the proceeds therefrom.

SECTION 4. Reaffirmation of Guaranty. Each Guarantor reaffirms its guarantee of the Guaranteed Obligations (as defined in the Guaranty) under the terms and conditions of the Guaranty and agrees that such guarantee remains in full force and effect and is hereby ratified, reaffirmed and confirmed. Each Guarantor hereby confirms that it consents to the terms of this Sixth Amendment, including, without limitation, the extension in whole or in part of the Existing Revolving Loans under the Credit Agreement in the form of 2017 Extending Revolving Loans and which constitute "Guaranteed Obligations" of such Guarantor under the Guaranty as amended by this Sixth Amendment. Each Guarantor hereby (i) confirms that each Loan Document to which it is a party or is otherwise bound will continue to guarantee, to the fullest extent possible in accordance with the Loan Documents, the payment and performance of the Guaranteed Obligations, including without limitation the payment and performance of all such applicable Guaranteed Obligations that are joint and several obligations of each Guarantor now or hereafter existing; (ii) acknowledges and agrees that its Guaranty and each of the Loan Documents to which it is a party or otherwise bound shall continue in full force and effect and that all of its obligations thereunder shall be valid and enforceable and shall not be impaired or limited by the execution or effectiveness of the Sixth Amendment; and (iii) acknowledges, agrees and warrants for the benefit of the Administrative Agent and each Secured Party that there are no rights of set-off or counterclaim, nor any defenses of any kind, whether legal, equitable or otherwise, that would enable such Guarantor to avoid or delay timely performance of its obligations under the Loan Documents (except to the extent such obligations constitute Excluded Swap Obligations (as defined in the Guaranty) with respect to such Guarantor).

SECTION 5. Reaffirmation of Security Agreement.

(a) Each Loan Party hereby acknowledges that it has reviewed and consents to the terms and conditions of this Sixth Amendment and the transactions contemplated hereby, including, without

limitation, the extension in whole or in part of the Existing Revolving Loans under the Credit Agreement in the form of 2017 Extending Revolving Loans. In addition, each Loan Party reaffirms the security interests granted by such Loan Party under the terms and conditions of the Security Agreement to secure the Obligations and agrees that such security interests remain in full force and effect and are hereby ratified, reaffirmed and confirmed. Each Loan Party hereby confirms that the security interests granted by such Loan Party under the terms and conditions of the Security Agreement secure the 2017 Extending Revolving Loans as part of the Obligations. Each Loan Party hereby (i) confirms that each Loan Document to which it is a party or is otherwise bound and all Collateral (as defined in the Security Agreement) encumbered thereby will continue to guarantee or secure, as the case may be, to the fullest extent possible in accordance with the Loan Documents, the payment and performance of the Obligations, as the case may be, including, without limitation, the payment and performance of all such applicable Obligations that are joint and several obligations of each Loan Party now or hereafter existing, (ii) confirms its respective grant to the Collateral Agent for the benefit of the Secured Parties of the security interest in and continuing Lien on all of such Loan Party's right, title and interest in, to and under all Collateral (as defined in the Security Agreement), whether now owned or existing or hereafter acquired or arising and wherever located, as collateral security for the prompt and complete payment and performance in full when due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise, of all applicable Obligations (including all such Obligations as amended, reaffirmed and/or increased pursuant to this Sixth Amendment), subject to the terms contained in the applicable Loan Documents, and (iii) confirms its respective guarantees, pledges, grants of security interests and other obligations, as applicable, under and subject to the terms of each of the Loan Documents to which it is a party.

(b) Each Loan Party acknowledges and agrees that each of the Loan Documents to which it is a party or otherwise bound shall continue in full force and effect and that all of its obligations thereunder shall be valid and enforceable and shall not be impaired or limited by the execution or effectiveness of this Sixth Amendment.

SECTION 6. Reference to and Effect on the Credit Agreement and the Loan Documents.

(a) This Sixth Amendment shall constitute both an Extension Amendment and a Loan Document under the Credit Agreement.

(b) On and after the Sixth Amendment Effective Date, (i) each reference in the Credit Agreement to "this Agreement," "hereunder," "hereof" or words of like import referring to the Credit Agreement shall mean and be a reference to the Credit Agreement, as amended by this Sixth Amendment, (ii) each 2017 Extending Revolving Lender shall constitute a "Lender" under (and as defined in) the Credit Agreement after giving effect to this Sixth Amendment, (iii) the 2017 Extending Revolving Commitments shall constitute "Extended Revolving Commitments", "Commitments", "Revolving Commitments" and "2017 Initial Revolving Commitments" under (and as defined in) the Credit Agreement, (iv) the 2017 Extending Revolving Loans shall constitute "Loans", "Revolving Loans", "Extended Revolving Loans" and "2017 Initial Revolving Loans" under (and as defined in) the Credit Agreement after giving effect to this Sixth Amendment and (v) the Sixth Amendment Effective Date shall constitute the "Amendment No. 6 Effective Date" under (and as defined in) the Credit Agreement.

(c) The Credit Agreement and each of the other Loan Documents, as specifically amended by this Sixth Amendment, are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed. Without limiting the generality of the foregoing, the Collateral Documents and all of the Collateral described therein do and shall continue to secure the payment of all Obligations of the Loan Parties under the Loan Documents, in each case, as amended by this Sixth Amendment.

(d) The execution, delivery and effectiveness of this Sixth Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any Lender or the Administrative Agent under any of the Loan Documents, nor constitute a waiver of any provision of any of the Loan Documents.

(e) This Sixth Amendment may not be amended, modified or waived except pursuant to a writing signed by each of the parties hereto.

SECTION 7. Governing Law. THIS SIXTH AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

SECTION 8. Counterparts. This Sixth Amendment may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Sixth Amendment by telecopy or other electronic imaging (including in .pdf format) means shall be effective as delivery of a manually executed counterpart of this Sixth Amendment.

SECTION 9. Electronic Execution. The words "execution," "signed," "signature," and words of like import in this Sixth Amendment or in any amendment or other modification hereof (including waivers and consents) shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

SECTION 10. Assignment of Revolving Commitments. The parties hereto acknowledge that pursuant to terms and conditions and for good and valuable consideration, in each case, separately agreed among the relevant parties, certain Revolving Lenders have agreed to assign and assume Revolving Commitments such that after giving effect to such assignments and assumptions (the "Sixth Amendment Effective Date Assignments"), the Revolving Commitment of each Revolving Lender shall be equal to the amount set forth opposite the name of such Revolving Lender under the applicable column on Schedule 2.01 to the Credit Agreement (after giving effect to this Amendment). Notwithstanding the terms of Section 10.07 of the Credit Agreement, the parties hereto hereby agree that, immediately upon the effectiveness of this Amendment on the Sixth Amendment Effective Date, each of the Sixth Amendment Effective Date Assignments shall be effective and the Revolving Commitment of each Revolving Lender shall be equal to the amount set forth opposite the name of such Revolving Lender under the applicable column on Schedule 2.01 to the Credit Agreement without any further action by any party. The Borrower, the Administrative Agent and the Issuing Bank hereby consent to each Sixth Amendment Effective Date Assignment and the Administrative Agent is hereby instructed to record such assignments in the Register.

[*The remainder of this page is intentionally left blank.*]

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized officers to execute and deliver this Sixth Amendment as of the date first above written.

LIFE TIME, INC., as Borrower

By: /s/ James Spolar
Name: James Spolar
Title: Vice President and Secretary

LTF INTERMEDIATE HOLDINGS, INC., as Holdings and Guarantor

By: /s/ James Spolar
Name: James Spolar
Title: Secretary

[Signature Page to Sixth Amendment to Credit Agreement]

LTF CLUB OPERATIONS COMPANY, INC., as Guarantor

By: /s/ Steve Kerzman
Name: Steve Kerzman
Title: President, Chief Executive Officer and Chief Financial Officer

LTF OPERATIONS HOLDINGS, INC., as Guarantor

By: /s/ James Spolar
Name: James Spolar
Title: Vice President and Secretary

LTF MANAGEMENT SERVICES, LLC, as Guarantor

By: /s/ James Spolar
Name: James Spolar
Title: Vice President and Secretary

LTF CONSTRUCTION COMPANY, LLC, as Guarantor

By: /s/ James Spolar
Name: James Spolar
Title: Vice President and Secretary

LTF RESTAURANT COMPANY, LLC, as Guarantor

By: /s/ James Spolar
Name: James Spolar
Title: Vice President and Secretary

LTF CLUB MANAGEMENT COMPANY, LLC, as Guarantor

By: /s/ James Spolar
Name: James Spolar
Title: Vice President and Secretary

LTF CLUB OPERATIONS COMPANY, INC., as Guarantor

By: /s/ Steve Kerzman
Name: Steve Kerzman
Title: President, Chief Executive Officer and Chief Financial Officer

LTF OPERATIONS HOLDINGS, INC., as Guarantor

By: /s/ James Spolar
Name: James Spolar
Title: Vice President and Secretary

LTF MANAGEMENT SERVICES, LLC, as Guarantor

By: /s/ James Spolar
Name: James Spolar
Title: Vice President and Secretary

LTF CONSTRUCTION COMPANY, LLC, as Guarantor

By: /s/ James Spolar
Name: James Spolar
Title: Vice President and Secretary

LTF RESTAURANT COMPANY, LLC, as Guarantor

By: /s/ James Spolar
Name: James Spolar
Title: Vice President and Secretary

LTF CLUB MANAGEMENT COMPANY, LLC, as Guarantor

By: /s/ James Spolar
Name: James Spolar
Title: Vice President and Secretary

LTF MINNETONKA RESTAURANT COMPANY, LLC, as Guarantor

By: /s/ James Spolar
Name: James Spolar
Title: Vice President and Secretary

LTF TRIATHLON SERIES, LLC, as Guarantor

By: /s/ James Spolar
Name: James Spolar
Title: Vice President and Secretary

CHRONOTRACK SYSTEMS CORP., as Guarantor

By: _____
Name: Steve Kerzman
Title: Treasurer

LTF ARCHITECTURE, LLC, as Guarantor

By: /s/ James Spolar
Name: James Spolar
Title: Vice President and Secretary

LTF LEASE COMPANY, LLC, as Guarantor

By: /s/ James Spolar
Name: James Spolar
Title: Vice President and Secretary

LTF REAL ESTATE HOLDINGS, LLC, as Guarantor

By: /s/ James Spolar
Name: James Spolar
Title: Vice President and Secretary

LTF MINNETONKA RESTAURANT COMPANY, LLC,
as Guarantor

By: /s/ James Spolar
Name: James Spolar
Title: Vice President and Secretary

LTF TRIATHLON SERIES, LLC, as Guarantor

By: /s/ James Spolar
Name: James Spolar
Title: Vice President and Secretary

CHRONOTRACK SYSTEMS CORP., as Guarantor

By: /s/ Steve Kerzman
Name: Steve Kerzman
Title: Treasurer

LTF ARCHITECTURE, LLC, as Guarantor

By: /s/ James Spolar
Name: James Spolar
Title: Vice President and Secretary

LTF LEASE COMPANY, LLC, as Guarantor

By: /s/ James Spolar
Name: James Spolar
Title: Vice President and Secretary

LTF REAL ESTATE HOLDINGS, LLC, as Guarantor

By: /s/ James Spolar
Name: James Spolar
Title: Vice President and Secretary

LTF REAL ESTATE COMPANY, INC., as Guarantor

By: /s/ James Spolar
Name: James Spolar
Title: Vice President and Secretary

LTF EDUCATIONAL PROGRAMS, LLC, as Guarantor

By: /s/ James Spolar
Name: James Spolar
Title: Vice President and Secretary

LTF GROUND LEASE COMPANY, LLC, as Guarantor

By: /s/ James Spolar
Name: James Spolar
Title: Vice President and Secretary

DEUTSCHE BANK AG NEW YORK BRANCH, as
Administrative Agent and 2017 Extending Revolving Lender

By: /s/ Mary Kay Coyle
Name: Mary Kay Coyle
Title: Managing Director

By: /s/ Dusan Lazarov
Name: Dusan Lazarov
Title: Director

GOLDMAN SACHS BANK USA, as 2017 Extending Revolving Lender

By: /s/ Annie Carr
Name: Annie Carr
Title: Authorized Signatory

KKR REVOLVING CREDIT PARTNERS L.P., as 2017 Extending Revolving Lender

By: /s/ Jeffrey M. Smith
Name: Jeffrey M. Smith
Title: Authorized Signatory

JEFFERIES FINANCE LLC, as 2017 Extending Revolving Lender

By: /s/ J. Paul McDonnell
Name: J. Paul McDonnell
Title: Managing Director

MIZUHO BANK, LTD., as 2017 Extending Revolving Lender

By: /s/ James Fayen
Name: James Fayen
Title: Managing Director

BANK OF MONTREAL, as 2017 Extending Revolving Lender

By: /s/ Lindsay L. Goetz
Name: Lindsay L. Goetz
Title: Director

ROYAL BANK OF CANADA, as 2017 Extending Revolving Lender

By: /s/ Gordon MacArthur
Name: Gordon MacArthur
Title: Authorized Signatory

U.S. BANK NATIONAL ASSOCIATION, as 2017 Extending Revolving Lender, Swing Line Lender and Issuing Bank

By: /s/ Stephen H. Smith

Name: Stephen H. Smith

Title:] Senior Vice President

MIHI LLC, as 2017 Extending Revolving Lender

By: /s/ Lisa Grushkin
Name: Lisa Grushkin
Title: Authorized Signatory

By: /s/ Michael Barrish
Name: Michael Barrish
Title: Authorized Signator

NOMURA CORPORATE FUNDING AMERICAS, LLC, as 2017 Extending Revolving Lender

By: /s/ Grant Andrew Keith
Name: Grant Andrew Keith
Title: Executive Director

ANNEX I

AMENDMENTS TO CREDIT AGREEMENT

[Changed pages to Credit Agreement follow]

Table of Contents

ARTICLE X

Miscellaneous

CREDIT AGREEMENT

This CREDIT AGREEMENT (this "**Agreement**") is entered into as of June 10, 2015, by and among LTF INTERMEDIATE HOLDINGS, INC., a Delaware corporation ("**Holdings**"), LTF MERGER SUB, INC., a Minnesota corporation and direct subsidiary of Holdings ("**Merger Sub**" or "**Initial Borrower**"), U.S. BANK NATIONAL ASSOCIATION ("**US Bank**"), as Issuing Bank and Swing Line Lender, DEUTSCHE BANK AG NEW YORK BRANCH ("**DBNY**"), as administrative agent (in such capacity, including any successor thereto, the "**Administrative Agent**") and as collateral agent (in such capacity, including any successor thereto, the "**Collateral Agent**") under the Loan Documents, and each lender from time to time party hereto (collectively, the "**Lenders**" and individually, a "**Lender**").

PRELIMINARY STATEMENTS

Pursuant to the Transaction Agreement (as defined in Section 1.01 below), Merger Sub will merge (the "**Merger**") with and into Life Time Fitness, Inc., a Minnesota corporation (the "**Acquired Company**"), which will survive the Merger and succeed to all the rights and obligations of the Initial Borrower under this Agreement and the other Loan Documents (such successor, "**Life Time**").

In connection therewith, the Borrower has requested that (a) substantially simultaneously with the consummation of the Merger, the Lenders extend credit to the Borrower in the form of $1,250.0 million of Closing Date Term Loans and $250.0 million of Revolving Commitments on the Closing Date as secured credit facilities and (b) from time to time on and after the Closing Date, the Lenders lend to the Borrower and the Issuing Banks issue Letters of Credit for the account of the Borrower, each to provide working capital for, and for other general corporate purposes of, the Borrower and its Restricted Subsidiaries, pursuant to the Revolving Commitments hereunder and pursuant to the terms of, and subject to the conditions set forth in, this Agreement.

On the Closing Date, the Borrower will enter into the Senior Notes Indenture pursuant to which the Borrower shall issue the Senior Notes in an aggregate principal amount of up to $450.0 million.

The proceeds of the Closing Date Term Loans and the Closing Date Revolving Borrowings, together with the proceeds of the Senior Notes and the Equity Contribution, will be used on the Closing Date (i) to repay Indebtedness incurred under the Existing Credit Agreement and certain other Indebtedness and (ii) to pay (A) any original issue discount or upfront fees resulting from the exercise of any "market flex" pursuant to the Fee Letter in connection with the Transactions, (B) the Transaction Consideration, (C) the Transaction Expenses and (D) amounts required for working capital.

The applicable Lenders have indicated their willingness to lend, and the applicable Issuing Banks have indicated their willingness to issue Letters of Credit, in each case on the terms and subject to the conditions set forth herein.

In consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows:

ARTICLE I

Definitions and Accounting Terms

SECTION 1.01 Defined Terms. As used in this Agreement, the following terms have the meanings set forth below:

"**2017 Initial Revolving Commitment**" means, as to each Revolving Lender, its obligation to (1) make Revolving Loans under the 2017 Initial Revolving Facility to the Borrower pursuant to Section 2.01(2) and (2) purchase participations in L/C Obligations in respect of Letters of Credit and purchase participations in Swing Line Loans.

"**2017 Initial Revolving Facility**" means the Revolving Facility made available by the 2017 Initial Revolving Lenders as of the Amendment No. 6 Effective Date.

"**2017 Initial Revolving Lender**" means, at any time, any Lender that has a 2017 Initial Revolving Commitment at such time.

"**2017 Initial Revolving Loans**" means the Loans made available under the 2017 Initial Revolving Facility.

"**2017 Refinancing Term Lender**" means, at any time, each Lender with a 2017 Refinancing Term Loan Commitment or, after the 2017 Refinancing Term Loans are made or issued, holding a 2017 Refinancing Term Loan at such time.

"**2017 Refinancing Term Loan**" means the "2017 Refinancing Term Loans" as defined in, and made and/or converted in accordance with Amendment No. 4.

"**2017 Refinancing Term Loan Commitment**" means, for any 2017 Refinancing Term Lender, the amount set forth opposite such 2017 Refinancing Term Lender's name on Schedule A to Amendment No. 4. The initial aggregate amount of the 2017 Refinancing Term Loan Commitments is $1,330,494,332.49.

"**Acceptable Discount**" has the meaning specified in Section 2.05(1)(e)(D)(2).

"**Acceptable Prepayment Amount**" has the meaning specified in Section 2.05(1)(e)(D)(3).

"**Acceptance and Prepayment Notice**" means a notice of the Borrower's acceptance of the Acceptable Discount in substantially the form of Exhibit M.

"**Acceptance Date**" has the meaning specified in Section 2.05(1)(e)(D)(2).

"**Acquired Company**" has the meaning specified in the preliminary statements of this Agreement.

"**Acquired Indebtedness**" means, with respect to any specified Person,

(1) Indebtedness of any other Person existing at the time such other Person is merged, consolidated or amalgamated with or into or became a Restricted Subsidiary of such specified Person, including Indebtedness incurred in connection with, or in contemplation of, such other Person merging, amalgamating or consolidating with or into, or becoming a Restricted Subsidiary of, such specified Person, and

(2) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

"**Additional Lender**" means, at any time, any bank, other financial institution or institutional lender or investor that, in any case, is not an existing Lender and that agrees to provide any portion of any (a) Incremental Loan in accordance with Section 2.14, (b) Loans pursuant to a Refinancing Amendment in accordance with Section 2.15 or (c) Replacement Loans pursuant to Section 10.01; *provided* that each Additional Lender (other than any Person that is a Lender, an Affiliate of a Lender or an Approved Fund of a Lender at such time) shall be subject to the approval of the Administrative Agent, the Swing Line Lender or the Issuing Bank(s) (such approval not to be unreasonably withheld, conditioned or delayed), in each case solely to the extent that any such consent would be required from the Administrative Agent, the Swing Line Lender or the Issuing ~~(~~Lender(s) under Section 10.07(b)(iii) for an assignment of Loans to such Additional Lender.

Rate floor or Base Rate floor (1) to the extent that the Reference Rate on the date that theAll-In Yield is being calculated is less than such floor, the amount of such floor shall be deemed added to the Applicable Rate for such Loans of such Class for the purpose of calculating the All-In Yield and (2) to the extent that the Reference Rate on the date that the All-In Yield is being calculated is greater than such floor, then the floor shall be disregarded in calculating the All-In Yield. As of the Closing Date, theAll-In Yield with respect to the Closing Date Term Loans was 437.5 basis points.

"**Alternative Currency**" means Canadian Dollars.

"**Amendment No. 4**" means the Refinancing Amendment to this Agreement dated as of January 27, 2017 among the Borrower, the Subsidiary Guarantors party thereto, the 2017 Refinancing Term Lenders party thereto and the Administrative Agent.

"**Amendment No. 4 Effective Date**" means January 27, 2017.

"**Amendment No. 5**" means the Refinancing Amendment to this Agreement dated as of November 15, 2017 among the Borrower, the Subsidiary Guarantors party thereto, the New 2017 Refinancing Term Lenders party thereto and the Administrative Agent.

"**Amendment No. 5 Effective Date**" means November 15, 2017.

"**Amendment No. 6**" means the Refinancing Amendment to this Agreement dated as of November 29, 2017 among the Borrower, the Subsidiary Guarantors party thereto, the Issuing Bank, the Swing Line Lender, the 2017 Refinancing Revolving Lenders party thereto and the Administrative Agent.

"**Amendment No. 6 Effective Date**" means November 29, 2017.

"**Annual Financial Statements**" means the audited consolidated balance sheets of the Acquired Company as of the fiscal years ended December 31, 2014, December 31, 2013 and December 31, 2012, and the related consolidated statements of operations, changes in stockholders' equity and cash flows for the Acquired Company for the fiscal years then ended.

"**Applicable Discount**" has the meaning specified in Section 2.05(1)(e)(C)(2).

"**Applicable Rate**" means a percentage per annum equal to:

(a) with respect to New 2017 Refinancing Term Loans, (i) 2.75% for Eurodollar Rate Loans and (ii) 1.75% for Base Rate Loans.

(b) with respect to Revolving Loans and unused Revolving Commitments under the ~~Closing Date~~Original Initial Revolving Facility and Letter of Credit fees for Original Initial Revolving Lenders (i) until delivery of financial statements for the first full fiscal quarter ending after the Closing Date pursuant to Section 6.01, (A) 3.25% for Eurodollar Rate Loans, CDOR Loans and Letter of Credit fees, (B) 2.25% for Base Rate Loans and (C) 0.500% Commitment Fee Rate for unused Revolving Commitments and (ii) thereafter, the following percentages per annum, based upon the First Lien Net Leverage Ratio as specified in the most recent Compliance Certificate received by the Administrative Agent pursuant to Section 6.02(1):

Pricing Level	First Lien Net Leverage Ratio	Eurodollar Rate, CDOR Rate and Letter of Credit Fees	Base Rate	Commitment Fee Rate
1	> 3.50 to 1.00	3.25%	2.25%	0.500%
2	£ 3.50 to 1.00	3.00%	2.00%	0.375%

(c) with respect to Revolving Loans and unused Revolving Commitments under the 2017 Initial Revolving Facility and Letter of Credit fees for 2017 Initial Revolving Lenders (i) until delivery of financial statements for the first full fiscal quarter ending after the Amendment No. 6 Effective Date pursuant to Section 6.01, (A) 2.75% for Eurodollar Rate Loans, CDOR Loans and Letter of Credit fees, (B) 1.75% for Base Rate Loans and (C) 0.375% Commitment Fee Rate for unused Revolving Commitments and (ii) thereafter, the following percentages per annum, based upon the First Lien Net Leverage Ratio as specified in the most recent Compliance Certificate received by the Administrative Agent pursuant to Section 6.02(1):

Pricing Level	First Lien Net Leverage Ratio	Eurodollar Rate, CDOR Rate and Letter of Credit Fees	Base Rate	Commitment Fee Rate
1	> 3.50 to 1.00	3.00%	2.00%	0.500%
2	£ 3.50 to 1.00	2.75%	1.75%	0.375%

Any increase or decrease in the Applicable Rate resulting from a change in the First Lien Net Leverage Ratio shall become effective as of the first Business Day immediately following the date a Compliance Certificate is delivered pursuant to Section 6.02(1); *provided* that "Pricing Level 1" (as set forth above) shall apply as of (x) the first Business Day after the date on which a Compliance Certificate was required to have been delivered but was not delivered, and shall continue to so apply to and including the date on which such Compliance Certificate is so delivered (and thereafter the pricing level otherwise determined in accordance with this definition shall apply) and (y) at the option of the Administrative Agent or the Required Revolving Lenders under the Closing Date Revolving Facility, the first Business Day after an Event of Default under Section 8.01(1) shall have occurred and be continuing, and shall continue to so apply to but excluding the date on which such Event of Default is cured or waived (and thereafter the pricing level otherwise determined in accordance with this definition shall apply). Notwithstanding anything to the contrary set forth herein, the provisions of this clause (b) may be amended or waived with the consent of only the Borrower and the Required Revolving Lenders.

(d) ~~(c)~~ with respect to any Term Loans (other than Closing Date Term Loans), as specified in the applicable Incremental Amendment, Extension Amendment or Refinancing Amendment.

"**Appropriate Lender**" means, at any time, (a) with respect to Loans of any Class, the Lenders of such Class and (b) with respect to Letters of Credit, (i) the relevant Issuing Banks and (ii) the relevant Revolving Lenders.

"**Approved Fund**" means, with respect to any Lender, any Fund that is administered, advised or managed by (a) such Lender, (b) an Affiliate of such Lender or (c) an entity or an Affiliate of an entity that administers, advises or manages such Lender.

"**Arrangers**" means DBSI, Goldman Sachs, Jefferies, Mizuho, BMOC, RBCCM, US Bank, Macquarie Capital and Nomura, each in its capacity as a joint lead arranger under this Agreement.

"**Asset Sale**" means:

(1) the sale, conveyance, transfer or other disposition, whether in a single transaction or a series of related transactions of property or assets of the Borrower or any Restricted Subsidiary (each referred to in this definition as a "**disposition**"); or

(2) the issuance or sale of Equity Interests (other than Preferred Stock or Disqualified Stock of Restricted Subsidiaries issued in compliance with Section 7.02 and directors' qualifying shares or shares or interests required to be held by foreign nationals or other third parties to the extent required by applicable law) of any Restricted Subsidiary (other than to the Borrower or another Restricted Subsidiary), whether in a single transaction or a series of related transactions;

"**Closing Date Refinancing**" means the repayment of all Indebtedness of the Acquired Company and its Subsidiaries with respect to which the Transaction Agreement requires the delivery of a payoff letter.

"**Closing Date Revolving Borrowing**" means a borrowing of Revolving Loans on the Closing Date, not to exceed the amount(s) (i) to pay Transaction Expenses in an amount not to exceed $20.0 million, *plus* (ii) for working capital purposes, *plus* (iii) to fund any original issue discount or upfront fees in connection with the Transactions resulting from the exercise of any "market flex" pursuant to the Fee Letter; *provided* that Letters of Credit may be issued on the Closing Date to backstop or replace letters of credit, guarantees and performance or similar bonds outstanding on the Closing Date (including deemed issuances of Letters of Credit under this Agreement resulting from an existing issuer of letters of credit outstanding on the Closing Date agreeing to become an Issuing Bank under this Agreement).

"**Closing Date Revolving Facility**" means ~~the~~(x) prior to the Amendment No. 6 Effective Date, the Original InitialRevolving Facility ~~made available by the Revolving Lenders as of the Closing Date~~and (y) from and after the Amendment No. 6 Effective Date, the Original Initial Revolving Facility and the 2017 Initial Revolving Facility, collectively.

"**Closing Date Term Loan Commitment**" means, as to each Term Lender, its obligation to make a Closing Date Term Loan to the Borrower in an aggregate amount not to exceed the amount specified opposite such Lender's name under on Schedule 2.01 under the caption "Closing Date Term Loan Commitment" or in the Assignment and Assumption (or Affiliated Lender Assignment and Assumption) pursuant to which such Term Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement (including pursuant to Section 2.14, 2.15 or 2.16). The initial aggregate amount of the Closing Date Term Loan Commitments as of June 10, 2015 was $1,250.00 million.

"**Closing Date Term Loans**" means the Term Loans made by the Lenders on the Closing Date pursuant to Section 2.01(1)(a), pursuant to Amendment No. 4 or pursuant to Amendment No. 5, as applicable. For the avoidance of doubt, the 2017 Refinancing Term Loans and the New 2017 Refinancing Term Loans shall constitute Closing Date Term Loans.

"**Co-Investors**" means any of (a) the assignees, if any, of the equity commitments of any Investor who become holders of Equity Interests in Holdings (or any Parent Company) on the Closing Date in connection with the Merger and (b) the transferees, if any, that acquire, within ninety (90) days of the Closing Date, any Equity Interests in Holdings (or any Parent Company) held by any Investor as of the Closing Date.

"**Code**" means the U.S. Internal Revenue Code of 1986, as amended.

"**Collateral**" means all the "Collateral" (or equivalent term) as defined in any Collateral Document and the Mortgaged Properties, if any.

"**Collateral Agent**" has the meaning specified in the introductory paragraph to this Agreement.

"**Collateral and Guarantee Requirement**" means, at any time, the requirement that:

(1) the Collateral Agent shall have received each Collateral Document required to be delivered (a) on the Closing Date pursuant to Section 4.01(1)(c) or (b) pursuant to Section 6.11 or 6.13 at such time required by such Sections to be delivered, in each case, duly executed by each Loan Party that is party thereto;

(2) all Obligations shall have been unconditionally guaranteed by (a) Holdings (or any successor thereto), (b) each Restricted Subsidiary of the Borrower that is a wholly owned Material Subsidiary (other than any Excluded Subsidiary), which as of the Closing Date after giving effect to the Assumption shall include those that are listed on Schedule 1.01(1) hereto and (c) any Restricted Subsidiary of the Borrower that Guarantees (or is the borrower or issuer of) (i) the Senior Notes; (ii) any other Junior impose such aforementioned taxes on paydowns or re-advances applicable to such Indebtedness unless it is feasible to limit recovery to a capped amount that would not be subject to re-borrowing.

The foregoing definition shall not require, and the Loan Documents shall not contain any requirements as to, the creation, perfection or maintenance of pledges of, or security interests in, Mortgages on, or the obtaining of Mortgage Policies, surveys, abstracts or appraisals or taking other actions with respect to, any Excluded Assets.

The Collateral Agent may grant extensions of time for the creation, perfection or maintenance of security interests in, or the execution or delivery of any Mortgage and the obtaining of title insurance, surveys or Opinions of Counsel with respect to, particular assets (including extensions beyond the Closing Date for the creation, perfection or maintenance of security interests in the assets of the Loan Parties on such date) where it reasonably determines, in consultation with the Borrower, that creation or perfection cannot be accomplished without undue effort or expense by the time or times at which it would otherwise be required by this Agreement or the Collateral Documents.

No actions required by the Laws of any non-U.S. jurisdiction shall be required in order to create any security interests in any assets or to perfect or make enforceable such security interests (including any intellectual property registered or applied for in any non-U.S. jurisdiction) and there shall be no security agreements or pledge agreements governed under the Laws of any non-U.S. jurisdiction. No actions shall be required with respect to assets (other than in respect of Pledged Collateral (as defined in, and to the extent required under, the Security Agreement)) requiring perfection through control agreements or perfection by "control" (as defined in the UCC).

"**Collateral Documents**" means, collectively, the Security Agreement, the Intellectual Property Security Agreements, the Mortgages (if any), each of the collateral assignments, security agreements, pledge agreements or other similar agreements delivered to the Administrative Agent, Collateral Agent or the Lenders pursuant to Sections 4.01(1)(c), 6.11 or 6.13 and each of the other agreements, instruments or documents that creates or purports to create a Lien in favor of the Collateral Agent for the benefit of the Secured Parties.

"**Commitment**" means a Revolving Commitment, any Revolving Commitment Increase or other commitments in respect of any Incremental Revolving Facility, ~~Initial~~ Term Commitment, Incremental Commitment, Refinancing Commitment or Extended Commitment, or any commitment in respect of Replacement Loans, as the context may require.

"**Commitment Fee Rate**" means a percentage per annum equal to the Applicable Rate set forth in the "Commitment Fee Rate" column of the chart in the definition of "Applicable Rate."

"**Commitment Letter**" means that certain Amended and Restated Commitment Letter, dated as of April 3, 2015, among Merger Sub, DB, Goldman Sachs, Jefferies, BMO, RBC, Macquarie, Nomura, Mizuho and US Bank, as amended, restated, amended and restated, supplemented or otherwise modified from time to time in accordance with the terms thereof.

"**Committed Loan Notice**" means a notice of (1) a Borrowing with respect to a given Class of Loans, (2) a conversion of Loans of a given Class from one Type to the other or (3) a continuation of Eurodollar Rate Loans or CDOR Loans of a given Class, pursuant to Section 2.02(1), which, if in writing, shall be substantially in the form of Exhibit A-1.

"**Commodity Exchange Act**" means the Commodity Exchange Act (7 U.S.C. §1 et. seq.), as amended from time to time and any successor statute.

"**Compensation Period**" has the meaning specified in Section 2.12(3)(b).

(4) any withholding tax attributable to a Lender's failure to comply with Section 3.01(3),

(5) any tax imposed under FATCA and

(6) any interest, additions to taxes and penalties with respect to any taxes described in clauses (1) through (5) of this definition.

"**Existing Credit Agreement**" means that certain Third Amended and Restated Credit Agreement, dated as of June 30, 2011, by and among the Acquired Company, certain of its Subsidiaries from time to time party thereto, U.S. Bank National Association, as agent, and the lenders and other parties from time to time party thereto, as amended, restated, supplemented or otherwise modified from time to time.

"**Existing Letter of Credit**" has the meaning specified in Section 2.03(8).

"**Existing Mortgage Debt**" means (i) the Loan Agreement dated as of January 28, 2014 between LTF Real Estate CMBS II, LLC and Wells Fargo Bank, National Association, (ii) the Promissory Note, dated as of February 12, 2013 between LTF Real Estate MP I, LLC and ING Life Insurance and Annuity Company, (iii) the Promissory Note, dated as of August 23, 2013 between LTF Real Estate MP II, LLC and ING Life Insurance and Annuity Company, and (iv) the Promissory Note, dated as of July 29, 2014 between LTF Real Estate MP III, LLC and ING Life Insurance and Annuity Company.

"**Expiring Credit Commitment**" has the meaning specified in Section 2.04(7).

"**Extended Commitments**" means, collectively, Extended Revolving Commitments and Extended Term Commitments.

"**Extended Loans**" means, collectively, Extended Revolving Loans and Extended Term Loans.

"**Extended Revolving Commitments**" means the Revolving Commitments held by an Extending Lender.

"**Extended Revolving Loans**" means the Revolving Loans made pursuant to Extended Revolving Commitments.

"**Extended Term Commitments**" means the Term Loan Commitments held by an Extending Lender.

"**Extended Term Loans**" means the Term Loans made pursuant to Extended Term Commitments.

"**Extending Lender**" means each Lender accepting an Extension Offer.

"**Extension**" has the meaning specified in Section 2.16(1).

"**Extension Amendment**" has the meaning specified in Section 2.16(2).

"**Extension Offer**" has the meaning specified in Section 2.16(1).

"**Facilities**" means the Closing Date Term Loans, the Original Initial Revolving Facility, the 2017 Initial Revolving Facility, the Swing Line Facility, any Extended Term Loans, any Extended Revolving Commitments and Extended Revolving Loans, any Refinancing Term Loans or Refinancing Revolving Loans, any Incremental Term Loans or Incremental Revolving Commitments or any Replacement Loans, as the context may require, and "**Facility**" means any of them. extent such effects would otherwise increase or decrease an amount of Indebtedness for any purpose under this Agreement as a result of accounting for any embedded derivatives created by the terms of such Indebtedness.

"**Indemnified Liabilities**" has the meaning specified in Section 10.05.

"**Indemnitees**" has the meaning specified in Section 10.05.

"**Independent Assets or Operations**" means, with respect to any Parent Company, that Parent Company's' total assets, revenues, income from continuing operations before income taxes and cash flows from operating activities (excluding in each case amounts related to its investment in the Borrower and the Restricted Subsidiaries), determined in accordance with GAAP and as shown on the most recent balance sheet of such Parent Company, is more than 3.0% of such Parent Company's corresponding consolidated amount.

"**Independent Financial Advisor**" means an accounting, appraisal, investment banking firm or consultant of nationally recognized standing that, in the good faith judgment of the Borrower, is qualified to perform the task for which it has been engaged.

"**Information**" has the meaning specified in Section 10.09.

"**Initial Borrower**" has the meaning specified in the introductory paragraph to this Agreement.

"**Initial Loans**" means the Closing Date Loans and any Incremental Loans that are treated as the same Class.

"**Intellectual Property Security Agreements**" has the meaning specified in the Security Agreement.

"**Intercompany Subordination Agreement**" means the Intercompany Subordination Agreement, dated as of the Closing Date, substantially in the form of Exhibit Q executed by the Borrower and each Restricted Subsidiary of that is party thereto.

"**Intercreditor Agreement**" means any Equal Priority Intercreditor Agreement(s) or Junior Lien Intercreditor Agreement(s) that may be executed from time to time.

"**Interest Payment Date**" means, (a) as to any Loan of any Class other than a Base Rate Loan (other than any Swing Line Loan), the last day of each Interest Period applicable to such Loan and the applicable Maturity Date of the Loans of such Class; *provided* that if any Interest Period for a Eurodollar Rate Loan or a CDOR Loan exceeds three months, the respective dates that fall every three months after the beginning of such Interest Period shall also be Interest Payment Dates; (b) as to any Base Rate Loan (other than any Swing Line Loan) of any Class, the last Business Day of each March, June, September and December and the applicable Maturity Date of the Loans of such Class; ~~and~~ (c) as to any Swing Line Loan, the last Business Day of any calendar month or, if any Event of Default has occurred and is continuing, upon demand of the Swing Line Lender; and (d) as to any Revolving Loan under the Original Initial Revolving Facility, the Amendment No. 6 Effective Date.

"**Interest Period**" means, as to each Eurodollar Rate Loan or any CDOR Loan, the period commencing on the date such Eurodollar Rate Loan or CDOR Loan is disbursed or converted to or continued as a Eurodollar Rate Loan or CDOR Loan and ending on the date one, two, three or six months thereafter, or to the extent consented to by each applicable Lender, twelve months (or such period of less than one month as may be consented to by each applicable Lender), as selected by the Borrower in its Committed Loan Notice; *provided* that:

(1) any Interest Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless such Business Day falls in another calendar month, in which case such Interest Period shall end on the immediately preceding Business Day;

Total Assets of the Restricted Subsidiaries that are Foreign Subsidiaries as of the end of the most recently ended Test Period or more than (when taken together with the gross revenues of the Restricted Subsidiaries of such Foreign Subsidiaries for such Test Period) 7.5% of the consolidated gross revenues of the Restricted Subsidiaries that are Foreign Subsidiaries for such Test Period, then the Borrower shall, not later than sixty (60) days after the date by which financial statements for such Test Period were required to be delivered pursuant to this Agreement (or such longer period as the Administrative Agent may agree in its reasonable discretion), designate in writing to the Administrative Agent one or more of such Foreign Subsidiaries that are Restricted Subsidiaries as "Material Foreign Subsidiaries" to the extent required such that the foregoing condition ceases to be true. At all times prior to the delivery of the aforementioned financial statements, such determinations shall be made based on the Pro Forma Financial Statements.

"**Material Real Property**" means any fee-owned real property located in the United States and owned by any Loan Party (i) with a fair market value in excess of $7.5 million on the Closing Date (if owned by a Loan Party on the Closing Date) or at the time of acquisition (if acquired by a Loan Party after the Closing Date) and (ii) which is improved with a facility owned by any Loan Party that is open for commercial operations; *provided* that for the avoidance of doubt, Material Real Property will not include any Excluded Assets.

"**Material Subsidiary**" means any Material Domestic Subsidiary or any Material Foreign Subsidiary.

"**Maturity Date**" means (i) with respect to the Closing Date Term Loans, in each case that have not been extended pursuant to Section 2.16, the date that is seven years after the Closing Date, (ii) with respect to the Revolving Loans (x) under the Original Initial Revolving Facility, the date that is five years after the Closing Date~~,~~ and (y) under the 2017 Initial Revolving Facility, August 15, 2022; *provided* that if, on March 10, 2022 or any subsequent date (such date, the "**2017 Initial Revolving Facility Trigger Date**"), the Maturity Date with respect to the Closing Date Term Loans is not March 10, 2023 or a later date, the Maturity Date with respect to the Loans under the 2017 Initial Revolving Facility shall be such 2017 Initial Revolving Facility Trigger Date, (iii) with respect to any tranche of Extended Term Loans or Extended Revolving Commitments, the final maturity date as specified in the applicable Extension Amendment, (iv) with respect to any Refinancing Term Loans or Refinancing Revolving Loans, the final maturity date as specified in the applicable Refinancing Amendment and (v) with respect to any Incremental Term Loans, the final maturity date as specified in the applicable Incremental Amendment; *provided* that in each case, if such day is not a Business Day, the applicable Maturity Date shall be the Business Day immediately succeeding such day.

"**Maximum Rate**" has the meaning specified in Section 10.11.

"**Merger**" has the meaning specified in the preliminary statements to this Agreement.

"**Mizuho**" means Mizuho Bank, Ltd.

"**Moody's**" means Moody's Investors Service, Inc. and any successor to its rating agency business.

"**Mortgage Policies**" has the meaning specified in Section 6.11(2)(b)(ii).

"**Mortgaged Properties**" has the meaning specified in paragraph (5) of the definition of "Collateral and Guarantee Requirement."

"**Mortgages**" means collectively, the deeds of trust, trust deeds, hypothecs, deeds to secure debt and mortgages made by the Loan Parties in favor or for the benefit of the Collateral Agent for the benefit of the Secured Parties in form and substance reasonably satisfactory to the Collateral Agent, including such modifications as may be required by local laws, pursuant to Section 6.13(2) and any other deeds of trust, trust deeds, hypothecs, deeds to secure debt or mortgages executed and delivered pursuant to Sections 6.11.

instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

"**Original Initial Revolving Commitment**" means, as to each Revolving Lender, its obligation to (1) make Revolving Loans under the Original Initial Revolving Facility to the Borrower pursuant to Section 2.01(2) and (2) purchase participations in L/C Obligations in respect of Letters of Credit and purchase participations in Swing Line Loans.

"**Original Initial Revolving Facility**" means the Revolving Facility made available by the Original Initial Revolving Lenders as of the Closing Date.

"**Original Initial Revolving Lender**" means, at any time, any Lender that has an Original Initial Revolving Commitment at such time.

"**Original Initial Revolving Loans**" means the Loans made available under the Original Initial Revolving Facility.

"**Other Applicable ECF**" means Excess Cash Flow or a comparable measure as determined in accordance with the documentation governing Other Applicable Indebtedness.

"**Other Applicable Indebtedness**" means Permitted Incremental Equivalent Debt and Credit Agreement Refinancing Indebtedness secured on a *pari passu* basis with the Obligations, together with Refinancing Indebtedness in respect of any of the foregoing that is secured on a*pari passu* basis with the Obligations.

"**Other Applicable Net Proceeds**" means Net Proceeds or a comparable measure as determined in accordance with the documentation governing Other Applicable Indebtedness.

"**Other Taxes**" means any and all present or future stamp or documentary Taxes, intangible, recording, filing, excise (that is not based on net income), property or similar Taxes arising from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document.

"**Outstanding Amount**" means (a) with respect to the Term Loans, Revolving Loans and Swing Line Loans on any date, the outstanding principal Dollar Amount thereof after giving effect to any borrowings and prepayments or repayments of Term Loans, Revolving Loans (including any refinancing of outstanding Unreimbursed Amounts under Letters of Credit or L/C Credit Extensions as a Revolving Borrowing) and Swing Line Loans, as the case may be, occurring on such date; and (b) with respect to any L/C Obligations on any date, the outstanding principal Dollar Amount thereof on such date after giving effect to any related L/C Credit Extension occurring on such date and any other changes thereto as of such date, including as a result of any reimbursements of outstanding Unreimbursed Amounts under related Letters of Credit (including any refinancing of outstanding Unreimbursed Amounts under related Letters of Credit or related L/C Credit Extensions as a Revolving Borrowing) or any reductions in the maximum amount available for drawing under related Letters of Credit taking effect on such date.

"**Overnight Rate**" means, for any day, (i) with respect to any amount denominated in Dollars, the greater of (a) the Federal Funds Rate and (b) an overnight rate determined by the Administrative Agent, an Issuing Bank or the Swing Line Lender, as applicable, in accordance with banking industry rules on interbank compensation and (ii) with respect to any amount denominated in any Available Currency other than Dollars, the rate of interest per annum at which overnight deposits in such Available Currency, in an amount approximately equal to the amount with respect to which such rate is being determined, would be offered for such day by a branch or Affiliate of the Administrative Agent in the applicable offshore interbank market for such Available Currency to major banks in such interbank market.

such time and the denominator of which is the aggregate Incremental Term Loan Exposure of all Lenders at such time.

"**Public Company Costs**" means the initial costs relating to establishing compliance with the Sarbanes-Oxley Act of 2002, as amended, and other expenses arising out of or incidental to the Borrower's or its Restricted Subsidiaries' initial establishment of compliance with the obligations of a reporting company, including costs, fees and expenses (including legal, accounting and other professional fees) relating to compliance with provisions of the Securities Act and the Exchange Act.

"**Public Lender**" means Lenders that do not wish to receive Private-Side Information.

"**Public-Side Information**" means (i) at any time prior to Holdings or any of its Subsidiaries becoming the issuer of any Traded Securities, information that is (a) of a type that would be required by applicable Law to be publicly disclosed in connection with an issuance by Holdings or any of its Subsidiaries of its debt or equity securities pursuant to a registered public offering made at such time or (b) not material to make an investment decision with respect to securities of Holdings or any of its Subsidiaries (for purposes of United States federal, state or other applicable securities laws), and (ii) at any time on or after Holdings or any of its Subsidiaries becoming the issuer of any Traded Securities, information that does not constitute material non-public information (within the meaning of United States federal, state or other applicable securities laws) with respect to Holdings or any of its Subsidiaries or any of their respective securities.

"**Purchase Money Obligations**" means any Indebtedness incurred to finance or refinance the acquisition, leasing, construction or improvement ~~or~~of property (real or personal) or assets (other than Capital Stock), and whether acquired through the direct acquisition of such property or assets, or otherwise.

"**Qualified ECP Guarantor**" means, in respect of any Swap Obligation, each Loan Party that has total assets exceeding $10.0 million at the time the relevant Guaranty or grant of the relevant security interest becomes effective with respect to such Swap Obligation or such other Person as constitutes an "eligible contract participant" under the Commodity Exchange Act or any regulations promulgated thereunder and can cause another Person to qualify as an "eligible contract participant" at such time by entering into a keepwell under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

"**Qualified Equity Interests**" means any Equity Interests that are not Disqualified Stock.

"**Qualified Holding Company Debt**" means unsecured Indebtedness of Holdings that

(1) is not subject to any Guarantee by any Subsidiary of Holdings (including the Borrower),

(2) will not mature prior to the date that is six (6) months after the Latest Maturity Date in effect on the date of issuance or incurrence thereof,

(3) has no scheduled amortization or scheduled payments of principal and is not subject to mandatory redemption, repurchase, prepayment or sinking fund obligation (it being understood that such Indebtedness may have mandatory prepayment, repurchase or redemption provisions satisfying the requirements of clause (5) below),

(4) does not require any payments in cash of interest or other amounts in respect of the principal thereof prior to the earlier to occur of (i) the date that is four (4) years from the date of the issuance or incurrence thereof and (ii) the date that is 180 days after the Latest Maturity Date in effect on the date of such issuance or incurrence, and

(5) has mandatory prepayment, repurchase or redemption, covenant, default and remedy provisions customary for senior discount notes of an issuer that is the parent of a borrower under senior secured credit facilities, and in any event, with respect to covenant, default and remedy provisions, no

"**Required Lenders**" means, as of any date of determination, Lenders having more than 50% of the sum of the (a) aggregate Term Loan Exposure and (b) aggregate Revolving Exposure of all Lenders; *provided* that (i) the aggregate Term Loan Exposure and Revolving Exposure of or held by any Defaulting Lender shall be excluded for purposes of making a determination of the "Required Lenders" and (ii) any determination of Required Lenders shall be subject to the limitations set forth in Section 10.07(h) with respect to Affiliated Lenders.

"**Required Revolving Lenders**" means, as of any date of determination, Lenders having or holding more than 50% of the aggregate Revolving Exposure of all Lenders; *provided* that the Revolving Exposure of or held by any Defaulting Lender shall be excluded for purposes of making a determination of Required Revolving Lenders.

"**Responsible Officer**" means, with respect to a Person, the chief executive officer, chief operating officer, president, vice president, chief financial officer, treasurer or assistant treasurer or other similar officer or Person performing similar functions, of such Person. With respect to any document delivered by a Loan Party on the Closing Date, Responsible Officer includes any secretary or assistant secretary of such Loan Party. Any document delivered hereunder that is signed by a Responsible Officer of a Loan Party shall be conclusively presumed to have been authorized by all necessary corporate, partnership or other action on the part of such Loan Party and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Loan Party. Unless otherwise specified, all references herein to a "Responsible Officer" shall refer to a Responsible Officer of the Borrower.

"**Restricted Investment**" means any Investment other than any Permitted Investment(s).

"**Restricted Payment**" has the meaning specified in Section 7.05.

"**Restricted Subsidiary**" means, at any time, any direct or indirect Subsidiary of the Borrower (including any Foreign Subsidiary) that is not then an Unrestricted Subsidiary; *provided* that notwithstanding the foregoing, in no event will (i) any Securitization Subsidiary, or (ii) any special purpose vehicle that borrows mortgage debt secured by fitness centers or exercise facilities and has no other activities be considered a Restricted Subsidiary for purposes of Section 8.01(5) or (7); *provided further* that upon the occurrence of an Unrestricted Subsidiary ceasing to be an Unrestricted Subsidiary, such Subsidiary will be included in the definition of "Restricted Subsidiary" Wherever the term "Restricted Subsidiary" is used herein with respect to any Subsidiary of a referenced Person that is not the Borrower, then it will be construed to mean a Person that would be a Restricted Subsidiary of the Borrower on a *pro forma* basis following consummation of one or a series of related transactions involving such referenced Person and the Borrower (but which transactions may include a designation of a Subsidiary of such Person as an Unrestricted Subsidiary on a *pro forma* basis in accordance with this Agreement).

"**Revolving Borrowing**" means a borrowing consisting of simultaneous Revolving Loans of the same Type and, in the case of Eurodollar Rate Loans, having the same Interest Period, made by each of the Revolving Lenders pursuant to Section 2.01(2).

"**Revolving Commitment**" means, as to each Revolving Lender, its obligation to (1) make Revolving Loans to the Borrower pursuant to Section 2.01(2) and (2) purchase participations in L/C Obligations in respect of Letters of Credit and purchase participations in Swing Line Loans, in an aggregate principal amount at any one time outstanding not to exceed the amount specified (a) opposite such Lender's name on Schedule 2.01 under the caption ~~"Closing Date~~(x) in the case of each Original Initial Revolving Lender, "Original Initial Revolving Commitment" and (y) in the case of each 2017 Initial Revolving Lender, "2017 Initial Revolving Commitment" or (b) in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement. For the avoidance of doubt, from and after the Amendment No. 6 Effective Date, each 2017 Initial Revolving Lender's Original Initial Revolving Commitment (if any) shall terminate pursuant to Amendment No. 6. The aggregate Revolving Commitments of all Revolving Lenders as of the ~~Closing~~Amendment No. 6 Effective Date is $250.0 million, as such amount may be adjusted from time to time in accordance with the terms of this Agreement.

"**Revolving Commitment Increase**" has the meaning specified in Section 2.14(1).

"**Revolving Exposure**" means, as to each Revolving Lender, the sum of the amount of the Outstanding Amount of such Revolving Lender's Revolving Loans and its Pro Rata Share or other applicable share provided for under this Agreement of the Dollar Amount of the L/C Obligations and the Swing Line Obligations at such time.

"**Revolving Facility**" means, at any time, the aggregate amount of the Revolving Commitments at such time including (without duplication) the Original Initial Revolving Commitments and the 2017 Initial Revolving Commitments.

"**Revolving Lender**" means, at any time, any Lender that has a Revolving Commitment at such time or, if Revolving Commitments have terminated, Revolving Exposure.

"**Revolving Loan**" has the meaning specified in Section 2.01(2) and includes Revolving Loans under ~~the Closing Date~~(without duplication) the Original Initial Revolving Facility and the 2017 Initial Revolving Facility, Incremental Revolving Loans, Refinancing Revolving Loans and Loans made pursuant to Extended Revolving Commitments.

"**Revolving Note**" means a promissory note of the Borrower payable to any Revolving Lender or its registered assigns, in substantially the form of Exhibit B-2 hereto, evidencing the aggregate Indebtedness of the Borrower to such Revolving Lender resulting from the Revolving Loans made by such Revolving Lender.

"**Run-Rate Adjusted EBITDA**" means, with respect to any Person for any period, the Adjusted EBITDA of such Person and its Restricted Subsidiaries for such period increased by the Total New Facility Run-Rate Adjustment.

"**S&P**" means Standard & Poor's, a division of The McGraw-Hill Companies, Inc., and any successor to its rating agency business.

"**Sale-Leaseback Post-Closing Transaction**" means any Sale-Leaseback Transaction consummated after the Closing Date.

"**Sale-Leaseback Transaction**" means any arrangement providing for the leasing by the Borrower or any Restricted Subsidiary of any real or tangible personal property, which property has been or is to be sold or transferred by the Borrower or such Restricted Subsidiary to a third Person in contemplation of such leasing.

"**Same Day Funds**" means disbursements and payments in immediately available funds.

"**Sanctions**" has the meaning specified in Section 5.17.

"**SEC**" means the U.S. Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

"**Secured Cash Management Agreement**" means any Cash Management Agreement that is entered into by and between Holdings, the Borrower or any Restricted Subsidiary and a Cash Management Bank; and designated in writing by the Cash Management Bank and the Borrower to the Administrative Agent as a "Secured Cash Management Agreement."

"**Secured Hedge Agreement**" means any Hedge Agreement with respect to Hedging Obligations permitted under Section 7.02 that is (a) entered into by and between any Loan Party or Restricted Subsidiary and any Hedge Bank and (b) designated in writing by the Hedge Bank and the Borrower to the Administrative Agent as a "Secured Hedge Agreement."

"**Total 2017 Initial Revolving Outstandings**" means the aggregate Outstanding Amount of all 2017 Initial Revolving Loans and aggregate Pro Rata Share of L/C Obligations held by 2017 Initial Revolving Lenders.

"**Total Original Initial Revolving Outstandings**" means the aggregate Outstanding Amount of all Original Initial Revolving Loans and aggregate Pro Rata Share of L/C Obligations held by Original Initial Revolving Lenders.

"**Total Revolving Outstandings**" means the aggregate Outstanding Amount of all Revolving Loans and L/C Obligations.

"**Traded Securities**" means any debt or equity securities issued pursuant to a public offering or Rule 144A offering.

"**Transaction Agreement**" means the Agreement and Plan of Merger, dated as of March 15, 2015, among Life Time, LTF Holdings, Inc., a Delaware corporation, and LTF Merger Sub, Inc., a Minnesota corporation, as amended, modified and supplemented from time to time.

"**Transaction Consideration**" means an amount equal to the total funds required to consummate the Merger as set forth in the Transaction Agreement.

"**Transaction Expenses**" means any fees, expenses, costs or charges incurred or paid by the Investors, any Parent Company, Holdings, the Borrower or any Restricted Subsidiary in connection with the Transactions, including any expenses in connection with hedging transactions, payments to officers, employees and directors as change of control payments, severance payments, special or retention bonuses and charges for repurchase or rollover of, or modifications to, stock options or restricted stock.

"**Transactions**" means, collectively, the transactions contemplated by the Transaction Agreement (as amended through the Closing Date) and transactions related or incidental to, or in connection with, such transactions, the funding of the Closing Date Loans, the issuance of the Senior Notes on the Closing Date, and the payment of Transaction Expenses.

"**Treasury Capital Stock**" has the meaning assigned to such term in Section 7.05(b)(2)(a).

"**TTM Run-Rate Adjusted EBITDA**" means, as of any date of determination, the Run-Rate Adjusted EBITDA of the Borrower for the Test Period.

"**Type**" means, with respect to a Loan, its character as a Base Rate Loan, a Eurodollar Rate Loan or a CDOR Loan.

"**Uniform Commercial Code**" or "**UCC**" means the Uniform Commercial Code or any successor provision thereof as the same may from time to time be in effect in the State of New York or the Uniform Commercial Code or any successor provision thereof (or similar code or statute) of another jurisdiction, to the extent it may be required to apply to any item or items of Collateral.

"**United States**" and "**U.S.**" mean the United States of America.

"**United States Tax Compliance Certificate**" has the meaning specified in Section 3.01(3)(b)(iii).

"**Unreimbursed Amount**" has the meaning specified in Section 2.03(3)(a).

"**Unrestricted Subsidiary**" means:

ARTICLE II

The Commitments and Borrowings

SECTION 2.01 The Loans.

(1) Term Borrowings. Subject to the terms and conditions set forth in Section 4.01 hereof, each Term Lender severally agrees (a) to make to the Borrower on the Closing Date one or more Closing Date Term Loans denominated in Dollars in an aggregate principal amount equal to such Term Lender's Closing Date Term Commitment on the Closing Date, (b) to make to the Borrower on the Amendment No. 4 Effective Date one or more 2017 Refinancing Term Loans denominated in Dollars in an aggregate principal amount equal to such Term Lender's 2017 Refinancing Term Loan Commitment on the Amendment No. 4 Effective Date and (c) to make to the Borrower on the Amendment No. 5 Effective Date one or more New 2017 Refinancing Term Loans denominated in Dollars in an aggregate principal amount equal to such Term Lender's New 2017 Refinancing Term Loan Commitment on the Amendment No. 5 Effective Date. Amounts borrowed under this Section 2.01(1) and repaid or prepaid may not be reborrowed. The Closing Date Term Loans may be Base Rate Loans or Eurodollar Rate Loans, as further provided herein.

(2) Revolving Borrowings. Subject to the terms and conditions set forth herein, each Revolving Lender severally agrees to make loans denominated in Dollars or one or more Alternative Currencies pursuant to Section 2.02 from its applicable Lending Office (each such loan, a "**Revolving Loan**") to the Borrower from time to time, on any Business Day during the period ~~from~~, with respect to each Class of the Revolving Facility, from (x) in the case of the Original Initial Revolving Facility, the Closing Date and (y) in the case of the 2017 Initial Revolving Facility, the Amendment No. 6 Effective Date, in each case, until the Maturity Date with respect to such Class of the Revolving Facility, in an aggregate principal Dollar Amount not to exceed at any time outstanding the amount of such Lender's Revolving Commitment under the applicable Class of the Revolving Facility; *provided* that after giving effect to any Revolving Borrowing, (a) (x) the Total Original Initial Revolving Outstandings shall not exceed the aggregate Original Initial Revolving Commitments and (y) the Total 2017 Initial Revolving Outstandings shall not exceed the aggregate 2017 Initial Revolving Commitments (b) the aggregate principal Dollar Amount of Total Revolving Outstandings denominated in Canadian Dollars will not exceed $25.0 million and (~~b~~c) the aggregate Outstanding Amount of the Revolving Loans of any Lender, plus such Lender's Pro Rata Share or other applicable share provided for under this Agreement of the Outstanding Amount of all L/C Obligations, *plus*, in the case of each Lender other than the Swing Line Lender, such Lender's Pro Rata Share or other applicable share provided for under this Agreement of the Outstanding Amount of all Swing Line Loans, shall not exceed such Lender's Revolving Commitment. Within the limits of each Lender's Revolving Commitment, and subject to the other terms and conditions hereof, the Borrower may borrow under this Section 2.01(2), prepay under Section 2.05 and reborrow under this Section 2.01(2). Revolving Loans may be Base Rate Loans, Eurodollar Rate Loans or CDOR Loans, as further provided herein. For the avoidance of doubt, the parties hereto agree that each Revolving Borrowing (including Revolving Borrowings pursuant to Section 2.04(3)) shall be made on a ratable basis among all Classes of Revolving Commitments then in effect.

SECTION 2.02 Borrowings, Conversions and Continuations of Loans.

(1) Each Term Borrowing, each Revolving Borrowing, each conversion of Term Loans or Revolving Loans from one Type to the other, and each continuation of Eurodollar Rate Loans and CDOR Loans shall be made upon the Borrower's irrevocable notice, on behalf of the Borrower, to the Administrative Agent (*provided* that the notice in respect of the initial Credit Extension, or in connection with any Permitted Acquisition or other transaction permitted under this Agreement, may be conditioned on the closing of the Merger or such Permitted Acquisition or other transaction, as applicable), which may be given by telephone. Each such notice must be received by the Administrative Agent not later than 12:00 p.m., New York time, (a) three (3) Business Days prior to the requested date of any Borrowing or continuation of Eurodollar Rate Loans or CDOR Loans or any conversion of Base Rate Loans to Eurodollar Rate Loans and (b) on the requested date of any Borrowing of Base Rate Loans; *provided* that the notice referred to in subclause (a) above may be delivered on or prior to the Closing Date in the case of the Closing Date Term Loans. Each telephonic notice by the Borrower pursuant to this Section 2.02(1) must be

received a copy of such L/C Application from the Borrower and, if not, such Issuing Bank will provide the Administrative Agent with a copy thereof. Upon receipt by the relevant Issuing Bank of confirmation from the Administrative Agent that the requested issuance or amendment is permitted in accordance with the terms hereof, then, subject to the terms and conditions hereof, such Issuing Bank shall, on the requested date, issue a Letter of Credit for the account of the Borrower (or, if applicable, any Restricted Subsidiary of the Borrower) or enter into the applicable amendment, as the case may be. Immediately upon the issuance of each Letter of Credit, each Revolving Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the relevant Issuing Bank a risk participation in such Letter of Credit in an amount equal to the product of such Lender's Pro Rata Share or other applicable share provided for under this Agreement times the amount of such Letter of Credit. For the avoidance of doubt, each risk participation in a Letter of Credit shall be made on a ratable basis among all Classes of Revolving Commitments then in effect. In furtherance of the foregoing, on the Amendment No. 6 Effective Date (after giving effect to Amendment No. 6) the risk participations in the Letters of Credit outstanding on such date shall be reallocated amongst the Revolving Lenders such that, after giving effect to such reallocation, each Revolving Lender shall hold risk participations in each such Letter of Credit equal to such Revolving Lender's Pro Rata Share of the Revolving Facility (after giving effect to Amendment No. 6). Upon a Maturity Date under any Class of the Revolving Facility (other than the tranche with the latest Maturity Date of all Revolving Facilities then in effect), provided that no Default or Event of Default shall have occurred and be continuing, the aggregate amount of participations in Letters of Credit held by Revolving Lenders in respect of the Class of Revolving Commitments terminating on such Maturity Date shall be reallocated to the Revolving Lenders holding Revolving Commitments of each other Class of Revolving Commitments then in effect, such that, upon such reallocation, the participation of each remaining Revolving Lender in outstanding Letters of Credit shall be in proportion to its respective Pro Rata Share; *provided* that in no event shall such reallocation result in the aggregate Outstanding Amount of the Revolving Loans of any Lender, *plus* such Lender's Pro Rata Share of the Outstanding Amount of all L/C Obligations, *plus* such Lender's Pro Rata Share of the Outstanding Amount of all Swing Line Loans exceeding such Lender's Revolving Commitment. If, on the Maturity Date with respect to any Class of the Revolving Facility, the reallocation described above cannot, or can only partially, be effected with respect to any outstanding Letter of Credit as a result of the limitations set forth herein, the Borrower shall, in accordance with Section 2.03(7), Cash Collateralize the portion of any such Letter of Credit that cannot be so reallocated.

(c) If the Borrower so requests in any applicable L/C Application, the relevant Issuing Bank shall agree to issue a Letter of Credit that has automatic extension provisions (each, an "**Auto-Extension Letter of Credit**"); *provided* that any such Auto-Extension Letter of Credit must permit the relevant Issuing Bank to prevent any such extension at least once in each twelve-month period (commencing with the date of issuance of such Letter of Credit) by giving prior notice to the beneficiary thereof not later than a day (the "**Non-Extension Notice Date**") in each such twelve-month period to be agreed upon by the relevant Issuing Bank and the Borrower at the time such Letter of Credit is issued. Unless otherwise agreed in such Letter of Credit, the Borrower shall not be required to make a specific request to the relevant Issuing Bank for any such extension. Once an Auto-Extension Letter of Credit has been issued, the applicable Lenders shall be deemed to have authorized (but may not require) the relevant Issuing Bank to permit the extension of such Letter of Credit at any time to an expiry date not later than the applicable L/C Expiration Date, unless the Outstanding Amount of L/C Obligations in respect of such requested Letter of Credit has been Cash Collateralized or back-stopped by a letter of credit reasonably satisfactory to the applicable Issuing Bank; *provided* that the relevant Issuing Bank shall not permit any such extension if (i) the relevant Issuing Bank has determined that it would have no obligation at such time to issue such Letter of Credit in its extended form under the terms hereof (by reason of the provisions of Section 2.03(1)(b) or otherwise) or (ii) it has received notice (which may be by telephone or in writing) on or before the day that is seven (7) Business Days before the Non-Extension Notice Date from the Administrative Agent, any Revolving Lender or the Borrower that one or more of the applicable conditions specified in Section 4.02 will not be satisfied on the applicable date of the Credit Extension.

(d) Promptly after issuance of any Letter of Credit or any amendment to a Letter of Credit, the relevant Issuing Bank will also deliver to the Borrower and the Administrative Agent a true and complete copy of such Letter of Credit or amendment.

(3) Drawings and Reimbursements; Funding of Participations.

(a) Upon receipt from the beneficiary of any Letter of Credit of any notice of a drawing under such Letter of Credit, the relevant Issuing Bank shall promptly notify the Borrower and the Administrative Agent thereof (including the date on which such payment is to be made). Upon the same day of any payment by an Issuing Bank under a Letter of Credit with notice to the Borrower (each such date, an "**Honor Date**"), the Borrower shall reimburse, or cause to be reimbursed, such Issuing Bank through the Administrative Agent in an amount equal to the Dollar Amount of such drawing; *provided* that if such reimbursement is not made on the date of drawing, the Borrower shall pay interest to the relevant Issuing Bank on such amount at the rate applicable to Base Rate Loans (without duplication of interest payable on L/C Borrowings). The relevant Issuing Bank shall notify the Borrower of the Dollar Amount of the drawing promptly following the determination or revaluation thereof. If the Borrower fails to so reimburse, or cause to be reimbursed, such Issuing Bank by such time, the Administrative Agent shall promptly notify each Appropriate Lender of the Honor Date, the Dollar Amount of the unreimbursed drawing (the "**Unreimbursed Amount**") and the amount of such Appropriate Lender's Pro Rata Share or other applicable share provided for under this Agreement thereof. In such event, in the case of an Unreimbursed Amount under a Letter of Credit, the Borrower shall be deemed to have requested a Revolving Borrowing of Base Rate Loans to be disbursed on the Honor Date in an amount equal to the Unreimbursed Amount, without regard to the minimum and multiples specified in Section 2.02 for the principal amount of Base Rate Loans but subject to the requirements for the amount of the unutilized portion of the Revolving Commitments under the applicable Revolving Facility of the Appropriate Lenders and the conditions set forth in Section 4.02 (other than the delivery of a Committed Loan Notice). Any notice given by an Issuing Bank or the Administrative Agent pursuant to this Section 2.03(3)(a) may be given by telephone if immediately confirmed in writing; *provided* that the lack of such an immediate confirmation shall not affect the conclusiveness or binding effect of such notice. For the avoidance of doubt, the parties hereto agree that each L/C Borrowing shall be made on a ratable basis among all Classes of Revolving Commitments then in effect.

(b) Each Appropriate Lender (including any Lender acting as an Issuing Bank) shall upon any notice pursuant to Section 2.03(3)(a) make funds available to the Administrative Agent for the account of the relevant Issuing Bank in Dollars at the Administrative Agent's Office for payments in an amount equal to its Pro Rata Share or other applicable share provided for under this Agreement of the Unreimbursed Amount not later than 1:00 p.m. on the Business Day specified in such notice by the Administrative Agent, whereupon, subject to the provisions of Section 2.03(3)(c), each Appropriate Lender that so makes funds available shall be deemed to have made a Revolving Loan that is a Base Rate Loan to the Borrower in such amount. The Administrative Agent shall remit the funds so received to the relevant Issuing Bank.

(c) With respect to any Unreimbursed Amount that is not fully refinanced by a Revolving Borrowing of Base Rate Loans because the conditions set forth in Section 4.02 cannot be satisfied or for any other reason, the Borrower shall be deemed to have incurred from the relevant Issuing Bank an L/C Borrowing in the amount of the Unreimbursed Amount that is not so refinanced, which L/C Borrowing shall be due and payable on demand (together with interest) and shall bear interest at the Default Rate then applicable to (i) prior to the date of termination of the Original Initial Revolving Facility in accordance with the terms of this Agreement, the Original Initial Revolving Loans and (ii) from and after the date of termination of the Original Initial Revolving Facility in accordance with the terms of this Agreement, the 2017 Initial Revolving Loans. In such event, each Appropriate Lender's payment to the Administrative Agent for the account of the relevant Issuing Bank pursuant to Section 2.03(3)(b) shall be deemed payment in respect of its participation in such L/C Borrowing and shall constitute an L/C Advance from such Lender in satisfaction of its participation obligation under this Section 2.03.

the Borrower will Cash Collateralize, or cause to be Cash Collateralized, the then Outstanding Amount of all relevant L/C Obligations (in an amount equal to such Outstanding Amount determined as of the date of such Event of Default or the applicable L/C Expiration Date, as the case may be), and shall do so not later than 2:00 p.m. on (i) in the case of the immediately preceding clauses (a) or (b), (x) the Business Day that the Borrower receives notice thereof, if such notice is received on such day prior to 12:00 p.m. or (y) if clause (x) above does not apply, the Business Day immediately following the day that the Borrower receives such notice and (ii) in the case of the immediately preceding clause (c), the Business Day on which an Event of Default set forth under Section 8.01(6) occurs or, if such day is not a Business Day, the Business Day immediately succeeding such day. At any time that there shall exist a Defaulting Lender, immediately upon the request of the Administrative Agent or the applicable Issuing Bank, the Borrower will Cash Collateralize all Fronting Exposure (after giving effect to Section 2.17(1)(d) and any Cash Collateral provided by the Defaulting Lender). The Borrower hereby grants to the Administrative Agent, for the benefit of the Issuing Banks and the Revolving Lenders of the applicable Facility, a security interest in all such Cash Collateral. Cash Collateral shall be maintained in blocked accounts at the Administrative Agent and may be invested in readily available Cash Equivalents selected by the Administrative Agent in its sole discretion. If at any time the Administrative Agent determines that any funds held as Cash Collateral are expressly subject to any right or claim of any Person other than the Loan Parties or the Administrative Agent (on behalf of the Secured Parties) or that the total amount of such funds is less than the aggregate Outstanding Amount of all relevant L/C Obligations, the Borrower will, forthwith upon demand by the Administrative Agent, pay, or cause to be paid, to the Administrative Agent, as additional funds to be deposited and held in the deposit accounts at the Administrative Agent as aforesaid, an amount equal to the excess of (A) such aggregate Outstanding Amount over (B) the total amount of funds, if any, then held as Cash Collateral that the Administrative Agent reasonably determines to be free and clear of any such right and claim. Upon the drawing of any Letter of Credit for which funds are on deposit as Cash Collateral, such funds shall be applied, to the extent permitted under applicable Law, to reimburse the relevant Issuing Bank. To the extent the amount of any Cash Collateral exceeds the then Outstanding Amount of such relevant L/C Obligations and so long as no Event of Default has occurred and is continuing, the excess shall promptly be refunded to the Borrower. To the extent any Event of Default giving rise to the requirement to Cash Collateralize any Letter of Credit pursuant to this Section 2.03(7) is cured or otherwise waived, then so long as no other Event of Default has occurred and is continuing, the amount of any Cash Collateral pledged to Cash Collateralize such Letter of Credit shall promptly be refunded to the Borrower. If at any time the Administrative Agent determines that Cash Collateral is subject to any right or claim of any Person other than the Loan Parties or the Administrative Agent as herein provided, or that the total amount of such Cash Collateral is less than the applicable Fronting Exposure and other obligations secured thereby, the Borrower or the relevant Defaulting Lender will, promptly upon demand by the Administrative Agent, pay or provide to the Administrative Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency.

(8) Existing Letters of Credit. Subject to the terms and conditions hereof, (a) Letters of Credit may be issued on the Closing Date to backstop or replace letters of credit outstanding on the Closing Date or (b) all letters of credit issued for the account of the Borrower or any Restricted Subsidiary and outstanding on the Closing Date and issued by an entity that is an Issuing Bank under this Agreement, which, by its execution of this Agreement, has agreed to act as an Issuing Bank hereunder and is listed on Schedule 2.03(8) (each, an "**Existing Letter of Credit**") shall automatically be continued hereunder on the Closing Date by such Issuing Bank, and as of the Closing Date the Revolving Lenders shall acquire a participation therein as if such Existing Letter of Credit were issued hereunder, and each such Existing Letter of Credit shall be deemed a Letter of Credit for all purposes of this Agreement as of the Closing Date without any further action by the Borrower.

(9) Letter of Credit Fees. The Borrower shall pay to the Administrative Agent, for the account of each Revolving Lender for the applicable Revolving Facility in accordance with its Pro Rata Share or other applicable share provided for under this Agreement, a Letter of Credit fee for each Letter of Credit issued pursuant to this Agreement equal to the Applicable Rate set forth in the "Eurodollar Rate, CDOR Rate and Letter of Credit Fees" column of the chart in the definition of "Applicable Rate" with respect to such Class of the Revolving Facility times the daily maximum Dollar Amount then available to be drawn under such Letter of Credit (whether or not such maximum amount is then in effect under such Letter of Credit if such maximum amount decreases or increases periodically pursuant to the terms of such Letter of Credit); *provided*, *however*, that any Letter of Credit fees otherwise payable for the account of a Defaulting Lender with respect to any Letter of Credit as to which such Defaulting Lender has not provided Cash Collateral satisfactory to the applicable Issuing Bank pursuant to this

Section 2.03 shall be payable, to the maximum extent permitted by applicable Law, to the other Lenders in accordance with the upward adjustments in their respective Pro Rata Shares allocable to such Letter of Credit pursuant to Section 2.17(1)(d), with the balance of such fee, if any, payable to the applicable Issuing Bank for its own account. Such Letter of Credit fees shall be computed on a quarterly basis in arrears. Such Letter of Credit fees shall be due and payable in Dollars on the last Business Day of each March, June, September and December, commencing with the first such date to occur after the issuance of such Letter of Credit, with respect to each Revolving Lender, on the L/C Expiration Date with respect to the Class of Revolving Commitments of such Revolving Lender and thereafter on demand. If there is any change in the Applicable Rate set forth in the "Eurodollar Rate, CDOR Rate and Letter of Credit Fees" column with respect to a Class of the Revolving Facility of the chart in the definition of "Applicable Rate" during any calendar quarter, the daily maximum amount of each Letter of Credit shall be computed and multiplied by the Applicable Rate with respect to such Class of the Revolving Facility separately for each period during such calendar quarter that such Applicable Rate was in effect.

(10) Fronting Fee and Documentary and Processing Charges Payable to Issuing Banks. The Borrower shall pay directly to each Issuing Bank for its own account a fronting fee with respect to each Letter of Credit issued by such Issuing Bank equal to 0.25% per annum (or such other lower amount as may be mutually agreed by the Borrower and the applicable Issuing Bank) of the maximum Dollar Amount then available to be drawn under such Letter of Credit (whether or not such maximum amount is then in effect under such Letter of Credit if such maximum amount increases or decreases periodically pursuant to the terms of such Letter of Credit) or such lesser fee as may be agreed with such Issuing Bank. Such fronting fees shall be computed on a quarterly basis in arrears. Such fronting fees shall be due and payable in Dollars on the last Business Day of each March, June, September and December, commencing with the first such date to occur after the issuance of such Letter of Credit, on the L/C Expiration Date and thereafter on demand. In addition, the Borrower shall pay, or cause to be paid, directly to each Issuing Bank for its own account with respect to each Letter of Credit issued for the account of the Borrower or any Restricted Subsidiary the customary issuance, presentation, amendment and other processing fees, and other standard costs and charges, of such Issuing Bank relating to letters of credit as from time to time in effect. Such customary fees and standard costs and charges are due and payable within ten (10) Business Days of demand and are nonrefundable.

(11) Conflict with L/C Application. Notwithstanding anything else to the contrary in this Agreement or any L/C Application, in the event of any conflict between the terms hereof and the terms of any L/C Application, the terms hereof shall control.

(12) Addition of an Issuing Bank. There may be one or more Issuing Banks under this Agreement from time to time. After the Closing Date, a Revolving Lender reasonably acceptable to the Borrower and the Administrative Agent may become an additional Issuing Bank hereunder pursuant to a written agreement among the Borrower, the Administrative Agent and such Revolving Lender. The Administrative Agent shall notify the Revolving Lenders of any such additional Issuing Bank.

(13) Provisions Related to Extended Revolving Commitments. If the L/C Expiration Date in respect of any Class of Revolving Commitments occurs prior to the expiry date of any Letter of Credit, then (a) if consented to by the Issuing Bank which issued such Letter of Credit, if one or more other Classes of Revolving Commitments in respect of which the L/C Expiration Date shall not have so occurred are then in effect, such Letters of Credit for which consent has been obtained shall automatically be deemed to have been issued (including for purposes of the obligations of the Revolving Lenders to purchase participations therein and to make Revolving Loans and payments in respect thereof pursuant to Sections 2.03(3) and (4)) under (and ratably participated in by Revolving Lenders pursuant to) the Revolving Commitments in respect of such non-terminating Classes up to an aggregate amount not to exceed the aggregate principal amount of the unutilized Revolving Commitments thereunder at such time (it being understood that no partial face amount of any Letter of Credit may be so reallocated) and (b) to the extent not reallocated pursuant to immediately preceding clause (a) and unless provisions reasonably satisfactory to the applicable Issuing Bank for the treatment of such Letter of Credit as a letter of credit under a successor credit facility have been agreed upon, the Borrower shall, on or prior to the applicable Maturity Date, cause all such Letters of Credit to be replaced and returned to the applicable Issuing Bank undrawn and marked "cancelled" or to the extent that the Borrower is unable to so replace and return any Letter(s) of Credit, such Letter(s) of Credit shall be backstopped by a "back to back" letter of credit reasonably satisfactory to the applicable Issuing Bank or the Borrower shall Cash Collateralize any such Letter of Credit in accordance with Section 2.03(7).

(14) Letter of Credit Reports. For so long as any Letter of Credit issued by an Issuing Bank is outstanding, such Issuing Bank shall deliver to the Administrative Agent on the last Business Day of each calendar month, and on each date that an L/C Credit Extension occurs with respect to any such Letter of Credit, a report in the form of Exhibit R, appropriately completed with the information for every outstanding Letter of Credit issued by such Issuing Bank.

(15) Letters of Credit Issued for Holdings and Subsidiaries. Notwithstanding that a Letter of Credit issued or outstanding hereunder is in support of any obligations of, or is for the account of, Holdings or a Restricted Subsidiary of the Borrower, the Borrower shall be obligated to reimburse, or cause to be reimbursed, the applicable Issuing Bank hereunder for any and all drawings under such Letter of Credit. The Borrower hereby acknowledges that the issuance of Letters of Credit for the account of Holdings or such Restricted Subsidiaries inures to the benefit of the Borrower, and that the Borrower's businesses derives substantial benefits from the businesses of Holdings and such Restricted Subsidiaries.

SECTION 2.04 Swing Line Loans.

(1) The Swing Line. Subject to the terms and conditions set forth herein, the Swing Line Lender may, in its sole discretion and in its individual capacity, make revolving credit loans in Dollars to the Borrower (each such loan, a "**Swing Line Loan**"), from time to time on any Business Day during the period beginning on the Business Day after the Closing Date and until the Maturity Date of the Revolving Facility in an aggregate amount not to exceed at any time outstanding the amount of the Swing Line Sublimit, notwithstanding the fact that such Swing Line Loans, when aggregated with the Pro Rata Share or other applicable share provided for under this Agreement of the Outstanding Amount of Revolving Loans and L/C Obligations of the Swing Line Lender, may exceed the amount of such Swing Line Lender's Revolving Commitment; *provided* that, after giving effect to any Swing Line Loan, the Revolving Exposure shall not exceed the aggregate Revolving Commitment. Within the foregoing limits, and subject to the other terms and conditions hereof, the Borrower may borrow under this Section 2.04, prepay under Section 2.05, and reborrow under this Section 2.04. Each Swing Line Loan will be obtained or maintained as a Base Rate Loan (bearing interest at the Base Rate*plus* the Applicable Rate for Base Rate Loans under the 2017 Initial Revolving Facility) unless Swing Line Lender agrees to a lower interest rate;*provided* that (a) Swing Line Lender may not agree to a different rate if an Event of Default has occurred and is continuing and (b) upon the occurrence and during the continuance of an Event of Default under Section 8.01(1), the Swing Line Loans will, at the option of Swing Line Lender, bear interest on past due amounts at a rate per annum equal to the Default Rate to the fullest extent permitted by applicable Laws. For the avoidance of doubt, each risk participation in a Swing Line Loan shall be made on a ratable basis among all Classes of Revolving Commitments then in effect.

(2) Borrowing Procedures. Each Swing Line Borrowing shall be made upon the Borrower's irrevocable notice to the Swing Line Lender, which may be given in writing or by telephone. Each such notice must be received by the Swing Line Lender not later than 2:00 p.m., New York time, on the requested Borrowing date and shall specify (a) the amount to be borrowed, which shall be a minimum of $100,000 and (b) the requested Borrowing date, which shall be a Business Day. Each such telephonic notice must be confirmed promptly by delivery to the Swing Line Lender of a written Swing Line Loan Notice, appropriately completed and signed by a Responsible Officer of the Borrower, together with substantially simultaneous notice (by telephone or in writing) to the Administrative Agent. If the Swing Line Lender agrees to provide such requested Swing Line Borrowing, unless it has received notice (by telephone or in writing) from the Administrative Agent (including at the request of any Revolving Lender) or it determines that (i) after giving effect to any Swing Line Loan, the Revolving Exposure will exceed the aggregate Revolving Commitment or (ii) one or more of the applicable conditions specified in Section 4.02 is not then satisfied, then, subject to the terms and conditions hereof, the Swing Line Lender will, not later than 3:00 p.m., New York time, on the Borrowing date specified in such Swing Line Loan Notice, make the amount of its Swing Line Loan available to the Borrower.

(3) Repayment or Refinancing of Swing Line Loans.

SECTION 2.05 Prepayments.

(1) Optional.

(a) The Borrower may, upon notice to the Administrative Agent by the Borrower, at any time or from time to time voluntarily prepay any Class or Classes of Term Loans and any Class or Classes of Revolving Loans in whole or in part without premium (except as set forth in Section 2.18) or penalty; *provided* that

(i) such notice must be received by the Administrative Agent not later than 12:00 p.m., New York time, (A) three (3) Business Days prior to any date of prepayment of Eurodollar Rate Loans and CDOR Loans and (B) on the date of prepayment of Base Rate Loans;

(ii) any partial prepayment of Eurodollar Rate Loans and CDOR Loans shall be in a principal amount of $2.0 million or a whole multiple of $500,000 in excess thereof or, if less, the entire principal amount thereof then outstanding; ~~and~~

(iii) any prepayment of Base Rate Loans shall be in a principal amount of $1.0 million or a whole multiple of $100,000 in excess thereof or, if less, the entire principal amount thereof then outstanding~~.~~; and

(iv) any prepayment of Revolving Loans under the Revolving Facility shall be allocated to prepay the Revolving Loans outstanding under each Class of the Revolving Facility in effect on the date of such prepayment on a ratable basis.

Each such notice shall specify the date and amount of such prepayment and the Class(es) and Type(s) of Loans to be prepaid (and, for the avoidance of doubt, may indicate the prepayments by more than one Borrower on such date in such amounts so specified, which, individually, may be below any minimum or multiple, but which, in the aggregate amount on any given date, shall satisfy such minimum and multiple requirements). The Administrative Agent will promptly notify each Appropriate Lender of its receipt of each such notice, and of the amount of such Lender's Pro Rata Share or other applicable share provided for under this Agreement of such prepayment. If such notice is given, the Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein. Any prepayment of a Eurodollar Rate Loan or CDOR Loans shall be accompanied by all accrued interest thereon, together with any additional amounts required pursuant to Section 3.05. In the case of each prepayment of the Loans pursuant to this Section 2.05(1), the Borrower may in its sole discretion select the Borrowing or Borrowings (and the order of maturity of principal payments) to be repaid, and such payment shall be paid to the Appropriate Lenders in accordance with their respective Pro Rata Shares or other applicable share provided for under this Agreement.

(b) [Reserved].

(c) Notwithstanding anything to the contrary contained in this Agreement, the Borrower may rescind any notice of prepayment under Section 2.05(1)(a) if such prepayment would have resulted from a refinancing of all or a portion of the applicable Facility, which refinancing shall not be consummated or shall otherwise be delayed.

(d) Each prepayment in respect of any Term Loans pursuant to this Section 2.05(1) may be applied to any Class of Term Loans as directed by the Borrower. Voluntary prepayments of any Class of Term Loans permitted hereunder shall be applied in a manner determined at the discretion of the Borrower and specified in the notice of prepayment (and absent such direction, in direct order of maturity, including any remaining scheduled installments of principal). For the avoidance of doubt, the Borrower may (i) prepay Term Loans of any Term Loan Class pursuant to this Section 2.05 without any requirement to prepay Extended Term Loans that were converted or exchanged from such Term Loan Class and (ii) prepay Extended Term Loans pursuant to this Section 2.05 without any requirement to prepay any Term

(i) each prepayment of Term Loans required by Sections 2.05(2)(a) through (d) shall be applied to each Class of Term Loans then outstanding on a *pro rata* basis or a less than *pro rata* basis (but not greater than *pro rata* basis) with any other Term Loans (in each case, other than pursuant to a refinancing or with respect to greater than *pro rata* payments to an earlier maturing tranche);

(ii) with respect to each Class of Loans (other than Revolving Loans), each prepayment pursuant to clauses (a) through (d) of Section 2.05(2) shall be applied to remaining scheduled installments of principal thereof following the date of prepayment as directed by the Borrower and specified in the notice of prepayment (and absent such direction, in direct order of maturity); and

(iii) each such prepayment shall be paid to the Lenders in accordance with their respective Pro Rata Shares of such prepayment;

provided that with respect to the allocation of such prepayments under this clause (e) between a Class of existing Loans and a Class of Extended Loans, the Borrower may allocate such prepayments as the Borrower may specify, subject to the limitation that the Borrower may not allocate to such Extended Loans any such mandatory prepayment (other than in the case of a refinancing of Extended Loans) unless such prepayment under this clause (e) is accompanied by at least a *pro rata* prepayment, based upon the applicable remaining scheduled installments of principal due in respect thereof, of the Term Loans of the same Class, if any, from which such Extended Loans were converted or exchanged (or such Term Loans of the existing Loan Class have otherwise been repaid in full).

(f) Subject to Section 1.10(2), if for any reason (x) the aggregate Outstanding Amount of Revolving Loans, Swing Line Loans and L/C Obligations at any time exceeds the aggregate Revolving Commitments then in effect, the Borrower shall promptly prepay Revolving Loans and Swing Line Loans or Cash Collateralize the L/C Obligations in an aggregate amount equal to such excess; *provided* that the Borrower shall not be required to Cash Collateralize the L/C Obligations pursuant to this Section 2.05(2)(f) unless after the prepayment in full of the Revolving Loans and Swing Line Loans (as applicable) such aggregate Outstanding Amount of L/C Obligations exceeds the aggregate Revolving Commitments then in effect~~.~~, (y) the aggregate Outstanding Amount of Original Initial Revolving Loans at any time exceeds the aggregate Original Initial Revolving Commitments then in effect, the Borrower shall promptly prepay Original Initial Revolving Loans in an aggregate amount equal to such excess and (z) the aggregate Outstanding Amount of 2017 Initial Revolving Loans at any time exceeds the aggregate 2017 Initial Revolving Commitments then in effect, the Borrower shall promptly prepay 2017 Initial Revolving Loans in an aggregate amount equal to such excess.

(g) The Borrower shall notify the Administrative Agent in writing of any mandatory prepayment of Term Loans required to be made pursuant to clauses (a) through (c) of this Section 2.05(2) at least three (3) Business Days prior to the date of such prepayment. Each such notice shall specify the date of such prepayment and provide a reasonably detailed calculation of the aggregate amount of such prepayment to be made by the Borrower. The Administrative Agent will promptly notify each Appropriate Lender of the contents of the Borrower's prepayment notice and of such Appropriate Lender's Pro Rata Share of the prepayment or other applicable share provided for under this Agreement. Each Term Lender may reject all or a portion of its Pro Rata Share, or other applicable share provided for under this Agreement, of any mandatory prepayment (such declined amounts, the "**Declined Proceeds**") of Term Loans required to be made pursuant to clauses (a) and (b) of this Section 2.05(2) by providing written notice (each, a "**Rejection Notice**") to the Administrative Agent and the Borrower no later than 5:00 p.m., New York time, two (2) Business Days after the date of such Lender's receipt of notice from the Administrative Agent regarding such prepayment. Each Rejection Notice from a given Lender shall specify the principal amount of the mandatory repayment of Term Loans to be rejected by such Lender. If a Term Lender fails to deliver a Rejection Notice to the Administrative Agent within the time frame specified above or such Rejection Notice fails to specify the principal amount of the Term Loans to be rejected, any such failure will be deemed an acceptance of the total amount of such mandatory prepayment of Term Loans. Any Declined Proceeds remaining shall be retained by the Borrower (or the applicable Restricted Subsidiary) and may be applied by the Borrower or such Restricted Subsidiary in any manner not prohibited by this Agreement.

(h) Notwithstanding any other provisions of this Section 2.05(2), (A) to the extent that any or all of the Net Proceeds of any Asset Sale by a Foreign Subsidiary giving rise to a prepayment event pursuant to Section 2.05(2)(b) (a "**Foreign Asset Sale**"), the Net Proceeds of any Casualty Event from a Foreign Subsidiary (a "**Foreign Casualty Event**"), the Specified Sale-Leaseback Net Proceeds of any Specified Sale Leaseback Transaction by a Foreign Subsidiary (a "**Foreign Sale-Leaseback**") or all or a portion of Excess Cash Flow are prohibited or delayed by applicable local law from being repatriated to the United States, the portion of such Net Proceeds, Specified Sale-Leaseback Net Proceeds or Excess Cash Flow so affected will not be required to be applied to repay Term Loans at the times provided in this Section 2.05(2) but may be retained by the applicable Foreign Subsidiary so long, but only so long, as the applicable local law will not permit repatriation to the United States (the Borrower hereby agreeing to cause the applicable Foreign Subsidiary to promptly take all actions reasonably required by the applicable local law to permit such repatriation), and once such repatriation of any of such affected Net Proceeds, Specified Sale-Leaseback Net Proceeds or Excess Cash Flow is permitted under the applicable local law such repatriation will be promptly effected and an amount equal to such repatriated Net Proceeds or Excess Cash Flow will be promptly (and in any event not later than two (2) Business Days after such repatriation) applied (net of additional taxes payable or reserved against as a result thereof) to the repayment of the Term Loans pursuant to this Section 2.05(2) to the extent otherwise provided herein and (B) to the extent that the Borrower has determined in good faith that repatriation of any or all or the Net Proceeds of any Foreign Asset Sale or Foreign Casualty Event, the Specified Sale-Leaseback Net Proceeds of any Foreign Sale-Leaseback or Excess Cash Flow would have an adverse tax consequence (taking into account any foreign tax credit or benefit actually realized in connection with such repatriation) with respect to such Net Proceeds, Specified Sale-Leaseback Net Proceeds or Excess Cash Flow, the Net Proceeds, Specified Sale-Leaseback Net Proceeds or Excess Cash Flow so affected may be retained by the applicable Foreign Subsidiary.

(i) Interest, Funding Losses, etc. All prepayments under this Section 2.05 shall be accompanied by all accrued interest thereon, together with, in the case of any such prepayment of a Eurodollar Rate Loan or CDOR Loan on a date prior to the last day of an Interest Period therefor, any amounts owing in respect of such Eurodollar Rate Loan or CDOR Loan pursuant to Section 3.05.

Notwithstanding any of the other provisions of this Section 2.05, so long as no Event of Default shall have occurred and be continuing, if any prepayment of Eurodollar Rate Loans or CDOR Loans is required to be made under this Section 2.05 prior to the last day of the Interest Period therefor, in lieu of making any payment pursuant to this Section 2.05 in respect of any such Eurodollar Rate Loan or CDOR Loan prior to the last day of the Interest Period therefor, the Borrower may, in ~~their~~ its discretion, deposit an amount sufficient to make any such prepayment otherwise required to be made thereunder together with accrued interest to the last day of such Interest Period into a Cash Collateral Account until the last day of such Interest Period, at which time the Administrative Agent shall be authorized (without any further action by or notice to or from the Borrower or any other Loan Party) to apply such amount to the prepayment of such Loans in accordance with this Section 2.05. Upon the occurrence and during the continuance of any Event of Default, the Administrative Agent shall also be authorized (without any further action by or notice to or from the Borrower or any other Loan Party) to apply such amount to the prepayment of the outstanding Loans in accordance with the relevant provisions of this Section 2.05. Such deposit shall be deemed to be a prepayment of such Loans by the Borrower for all purposes under this Agreement.

SECTION 2.06 Termination or Reduction of Commitments.

(1) Optional. The Borrower may, upon written notice by the Borrower to the Administrative Agent, terminate the unused Commitments of any Class, or from time to time permanently reduce the unused Commitments of any Class, in each case without premium or penalty; *provided* that

(a) any such notice shall be received by the Administrative Agent three (3) Business Days prior to the date of termination or reduction,

(b) any such partial reduction shall be in an aggregate amount of $5.0 million or any whole multiple of $1.0 million in excess thereof or, if less, the entire amount thereof ~~and~~,

(c) the Borrower shall not terminate or reduce (A) the Original Initial Revolving Facility if, after giving effect thereto and to any concurrent prepayments hereunder, the Total Original Initial Revolving Outstandings would exceed the Original Initial Revolving Facility or (B) the 2017 Initial Revolving Facility if, after giving effect thereto and to any concurrent prepayments hereunder, the Total 2017 Initial Revolving Outstandings would exceed the 2017 Initial Revolving Facility; and

(d) ~~(c)~~ if, after giving effect to any reduction of the Commitments, the L/C Sublimit or Swing Line Sublimit exceeds the amount of the Revolving Facility, such sublimit shall be automatically reduced by the amount of such excess.

Except as provided above, the amount of any such Revolving Commitment reduction shall not be applied to the L/C Sublimit or Swing Line Sublimit unless otherwise specified by the Borrower. Notwithstanding the foregoing, the Borrower may rescind or postpone any notice of termination of any Commitments if such termination would have resulted from a refinancing of all of the applicable Facility, which refinancing shall not be consummated or otherwise shall be delayed.

(2) Mandatory. Each of (i) the Closing Date Term Commitment of each Term Lender on the Closing Date, (ii) the 2017 Refinancing Term Loan Commitment of each 2017 Refinancing Term Lender on the Amendment No. 4 Effective Date and (iii) the New 2017 Refinancing Term Loan Commitment of each New 2017 Refinancing Term Lender on the Amendment No. 5 Effective Date, shall be automatically and permanently reduced to $0 upon the making of such Lender's Closing Date Term Loans, 2017 Refinancing Term Loans or New 2017 Refinancing Term Loans, respectively, to the Borrower pursuant to Section 2.01(1). The Revolving Commitment of each Revolving Lender shall automatically and permanently terminate on the Maturity Date for the applicable Class of the Revolving Facility.

(3) Application of Commitment Reductions; Payment of Fees. The Administrative Agent will promptly notify the Appropriate Lenders of any termination or reduction of unused portions of the L/C Sublimit, Swing Line Sublimit or the unused Commitments of any Class under this Section 2.06. Upon any reduction of unused Commitments of any Class, the Commitment of each Lender of such Class shall be reduced by such Lender's Pro Rata Share or other applicable share provided for under this Agreement of the amount by which such Commitments are reduced (other than the termination of the Commitment of any Lender as provided in Section 3.07). Any commitment fees accrued until the effective date of any termination of the Revolving Commitments shall be paid on the effective date of such termination.

SECTION 2.07 Repayment of Loans.

(1) Term Loans. The Borrower shall repay to the Administrative Agent for the ratable account of the Appropriate Lenders as follows:

(a) on the last Business Day of each March, June, September and December an aggregate principal amount equal to the amount corresponding to such fiscal quarter in the table below (which payments shall be reduced as a result of the application of prepayments in accordance with the order of priority set forth in Section 2.05):

Fiscal Quarter Ended	Principal Amount to be Repaid
December 31, 2017	$ 3,301,289.06
March 31, 2018	$ 3,301,289.06
June 30, 2018	$ 3,301,289.06
September 31, 2018	$ 3,301,289.06
December 31, 2018	$ 3,301,289.06
March 31, 2019	$ 3,301,289.06
June 30, 2019	$ 3,301,289.06
September 31, 2019	$ 3,301,289.06
December 31, 2019	$ 3,301,289.06
March 31, 2020	$ 3,301,289.06
June 30, 2020	$ 3,301,289.06
September 31, 2020	$ 3,301,289.06
December 31, 2020	$ 3,301,289.06
March 31, 2021	$ 3,301,289.06
June 30, 2021	$ 3,301,289.06
September 31, 2021	$ 3,301,289.06
December 31, 2021	$ 3,301,289.06
March 31, 2022	$ 3,301,289.06

; and

(b) on the Maturity Date for the Term Loans, the aggregate principal amount of all Term Loans outstanding on such date. In connection with any Incremental Term Loans that constitute part of the same Class as the Closing Date Term Loans, the Borrower and the Administrative Agent shall be permitted to adjust the rate of prepayment in respect of such Class such that the Term Lenders holding Closing Date Term Loans comprising part of such Class continue to receive a payment that is not less than the same dollar amount that such Term Lenders would have received absent the incurrence of such Incremental Term Loans.

(2) Revolving Loans. The Borrower shall repay to the Administrative Agent for the ratable account of the Appropriate Lenders on the Maturity Date for the applicable Class of the Revolving Facility the aggregate principal amount of all Revolving Loans under such Class of the Revolving Facility outstanding on such date.

(3) Swing Line Loans. The Borrower shall repay the aggregate principal amount of each Swing Line Loan on the earlier to occur of (a) the date selected by Swing Line Lender and (b) the Maturity Date for the applicable Revolving Facility.

SECTION 2.08 Interest.

(1) Subject to the provisions of Section 2.08(2), (a) each Eurodollar Rate Loan and CDOR Loan shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate per annum equal to the Eurodollar Rate or CDOR Rate for such Interest Period, respectively, *plus* the Applicable Rate, (b) each Base Rate Loan shall bear interest on the outstanding principal amount thereof from the applicable Borrowing date at a rate per annum equal to the Base Rate, *plus* the Applicable Rate and (c) each Swing Line Loan shall bear interest as provided in Section 2.04(1).

(2) During the continuance of a Default under Section 8.01(1), the Borrower shall pay interest on past due amounts hereunder at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws; *provided* that no interest at the Default Rate shall accrue or be payable to a Defaulting Lender so long as such Lender shall be a Defaulting Lender. Accrued and unpaid interest on past due amounts (including interest on past due interest) shall be due and payable upon demand.

(3) Interest on each Loan shall be due and payable in arrears on each Interest Payment Date applicable thereto and at such other times as may be specified herein. Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any Debtor Relief Law.

SECTION 2.09 Fees.

(1) Commitment Fee. The Borrower agrees to pay to the Administrative Agent for the account of each Revolving Lender under each Class of the Revolving Facility in accordance with its Pro Rata Share or other applicable share provided for under this Agreement, a commitment fee equal to the applicable Commitment Fee Rate with respect to such Class of the Revolving Facility times the actual daily amount by which the aggregate Revolving Commitment for the applicable Class of the Revolving Facility exceeds the sum of (a) the Outstanding Amount of Revolving Loans (for the avoidance of doubt, excluding any Swing Line Loans) for such Class of the Revolving Facility and (b) the Outstanding Amount of L/C Obligations for such Revolving Facility; *provided* that any commitment fee accrued with respect to any of the Commitments of a Defaulting Lender under such Class of the Revolving Facility during the period prior to the time such Lender became a Defaulting Lender and unpaid at such time shall not be payable by the Borrower so long as such Lender shall be a Defaulting Lender except to the extent that such commitment fee shall otherwise have been due and payable by the Borrower prior to such time; and *provided further* that no commitment fee shall accrue on any of the Commitments under any Class of the Revolving Facility of a Defaulting Lender so long as such Lender shall be a Defaulting Lender. The commitment fee on each Class of the Revolving Facility shall accrue at all times from the Closing Date until the Maturity Date for the applicable Class of the Revolving Facility, including at any time during which one or more of the conditions in Article IV is not met, and shall be due and payable quarterly in arrears on the last Business Day of each of March, June, September and December, commencing with the last Business Day of September, 2015, and on the Maturity Date for such Class of the Revolving Facility. The commitment fee shall be calculated quarterly in arrears, and if there is any change in the Commitment Fee Rate during any quarter, the actual daily amount shall be computed and multiplied by the Commitment Fee Rate separately for each period during such quarter that such Commitment Fee Rate was in effect.

(2) Other Fees. The Borrower shall pay to the Agents such fees as shall have been separately agreed upon in writing in the amounts and at the times so specified. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever (except as expressly agreed between the Borrower and the applicable Agent).

SECTION 2.10 Computation of Interest and Fees. All computations of interest for Base Rate Loans shall be made on the basis of a year of 365 days or 366 days, as the case may be, and actual days elapsed. All other computations of fees and interest shall be made on the basis of a 360-day year and actual days elapsed. Interest shall accrue on each Loan for the day on which the Loan is made, and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or such portion is paid; *provided* that any Loan that is repaid on the same day on which it is made shall, subject to Section 2.12(1), bear interest for one day. Each determination by the

(d) within thirty days after paying any sum from which it is required by Law to make any deduction or withholding, and within thirty days after the due date of payment of any Tax which it is required by clause (b) above to pay, the Borrower shall deliver to the Administrative Agent evidence reasonably satisfactory to the other affected parties of such deduction or withholding and of the remittance thereof to the relevant Governmental Authority.

(3) Status of Lender. The Administrative Agent and each Lender shall, at such times as are reasonably requested by the Borrower or the Administrative Agent, provide the Borrower and the Administrative Agent with any documentation prescribed by Laws or reasonably requested by the Borrower or the Administrative Agent certifying as to any entitlement of such Lender to an exemption from, or reduction in, withholding Tax with respect to any payments to be made to such Lender under any Loan Document. Each such Lender shall, whenever a lapse in time or change in circumstances renders such documentation (including any specific documentation required below in this Section 3.01(3)) obsolete, expired or inaccurate in any material respect, deliver promptly to the Borrower and the Administrative Agent updated or other appropriate documentation (including any new documentation reasonably requested by the Borrower or the Administrative Agent) or promptly notify the Borrower and Administrative Agent of its inability to do so.

Without limiting the foregoing:

(a) Each U.S. Lender shall deliver to the Borrower and the Administrative Agent on or before the date on which it becomes a party to this Agreement two properly completed and duly signed copies of Internal Revenue Service Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding.

(b) Each Foreign Lender shall deliver to the Borrower and the Administrative Agent on or before the date on which it becomes a party to this Agreement (and from time to time thereafter upon the request of the Borrower or the Administrative Agent) whichever of the following is applicable:

(i) ~~(ii)~~ two properly completed and duly signed copies of Internal Revenue Service FormW-8BEN or W-8BEN-E, as applicable (or any successor forms) claiming eligibility for the benefits of an income tax treaty to which the United States is a party, and such other documentation as required under the Code,

(ii) ~~(iii)~~ two properly completed and duly signed copies of Internal Revenue Service FormW-8ECI (or any successor forms),

(iii) ~~(iv)~~ in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 871(h) or Section 881(c) of the Code, (A) two properly completed and duly signed certificates substantially in the form of Exhibit H (any such certificate, a "**United States Tax Compliance Certificate**") and (B) two properly completed and duly signed copies of Internal Revenue Service FormW-8BEN or W-8BEN-E, as applicable (or any successor forms),

(iv) ~~(v)~~ to the extent a Foreign Lender is not the beneficial owner (for example, where the Foreign Lender is a partnership or a participating Lender), Internal Revenue Service Form W-8IMY (or any successor forms) of the Foreign Lender, accompanied by a Form W-8ECI, Form W-8BEN or W-8BEN-E, as applicable, United States Tax Compliance Certificate, Form W-9, Form W-8IMY and any other required information (or any successor forms) from each beneficial owner that would be required under this Section 3.01(3) if such beneficial owner were a Lender, as applicable (*provided* that if one or more beneficial owners are claiming the portfolio interest exemption, the United States Tax Compliance Certificate may be provided by such Foreign Lender on behalf of such beneficial owner), or

(v) ~~(vi)~~ two properly completed and duly signed copies of any other form prescribed by applicable U.S. federal income tax laws (including the Treasury Regulations) as a basis for

(3) (a) the incurrence of Indebtedness by the Borrower and any Restricted Subsidiary in existence on the Closing Date (excluding Indebtedness described in the preceding clauses (1) and (2), but including Indebtedness in respect of Existing Mortgage Debt);

(4) (a) the incurrence of Attributable Indebtedness and (b) Indebtedness (including Capitalized Lease Obligations and Purchase Money Obligations), Disqualified Stock and Preferred Stock incurred or issued by the Borrower or any Restricted Subsidiary and Preferred Stock issued by any Restricted Subsidiary, to finance the purchase, lease, expansion, construction, installation, replacement, repair or improvement of property (real or personal), equipment or other assets, including assets that are used or useful in a Similar Business, whether through the direct purchase of assets or the Capital Stock of any Person owning such assets in an aggregate principal amount, together with any Refinancing Indebtedness in respect thereof (excluding any Incremental Amounts) and all other Indebtedness, Disqualified Stock or Preferred Stock incurred or issued and outstanding under this clause (4), at such time not to exceed the greater of (i) $100.0 million and (ii) the Equivalent Percentage of the amount set forth in clause (i) multiplied by TTM Run-Rate Adjusted EBITDA of the Borrower for the most recently ended Test Period on the date of such incurrence and (~~ii~~c) any Refinancing Indebtedness thereof;

(5) Indebtedness incurred by the Borrower or any Restricted Subsidiary (a) constituting reimbursement obligations with respect to letters of credit, bank guarantees, banker's acceptances, warehouse receipts, or similar instruments issued or entered into, or relating to obligations or liabilities incurred, in the ordinary course of business or consistent with industry practice, including in respect of workers' compensation claims, performance, completion or surety bonds, health, disability or other employee benefits or property, casualty or liability insurance or self-insurance, unemployment insurance or other social security legislation or other Indebtedness with respect to reimbursement-type obligations regarding workers' compensation claims, performance, completion or surety bonds, health, disability or other employee benefits or property, casualty or liability insurance or self-insurance or (b) as an account party in respect of letters of credit, bank guarantees or similar instruments in favor of suppliers, trade creditors or other Persons issued or incurred in the ordinary course of business or consistent with industry practice;

(6) the incurrence of Indebtedness arising from agreements of the Borrower or any Restricted Subsidiary providing for indemnification, adjustment of purchase price, earnouts or similar obligations, in each case, incurred or assumed in connection with the acquisition or disposition of any business, assets or a Subsidiary, other than guarantees of Indebtedness incurred by any Person acquiring all or any portion of such business, assets or a Subsidiary for the purpose of financing such acquisition;

(7) the incurrence of Indebtedness of the Borrower to a Restricted Subsidiary (or to any Parent Company which is substantially contemporaneously transferred to the Borrower or any Restricted Subsidiary); *provided* that any such Indebtedness for borrowed money owing to a Restricted Subsidiary that is not a Guarantor is expressly subordinated in right of payment to the Loans to the extent permitted by applicable law and it does not result in adverse tax consequences; *provided further* that any subsequent issuance or transfer of any Capital Stock or any other event that results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such Indebtedness (except to the Borrower or another Restricted Subsidiary or any pledge of such Indebtedness constituting a Permitted Lien) will be deemed, in each case, to be an incurrence of such Indebtedness (to the extent such Indebtedness is then outstanding) not permitted by this clause (7);

(8) the incurrence of Indebtedness of a Restricted Subsidiary to the Borrower or another Restricted Subsidiary (or to any Parent Company which is substantially contemporaneously transferred to the Borrower or any Restricted Subsidiary) to the extent permitted by Section 7.05; *provided* that any such Indebtedness for borrowed money incurred by a Guarantor and owing to a Restricted Subsidiary that is not a Guarantor is expressly subordinated in right of payment to the Guaranty of the Loans of such Guarantor to the extent permitted by applicable law and it does not result in adverse tax consequences; *provided further* that any subsequent issuance or transfer of any Capital Stock or any other event which results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any such subsequent transfer of any

consent of such Lender, it being understood that none of the following will constitute a reduction in any rate of interest: (i) any change to the definition of "First Lien Net Leverage Ratio," "Total Net Leverage Ratio," "Fixed Charge Coverage Ratio," or, in each case, in the component definitions thereof and (ii) the agreement, consent or waiver by the Required Revolving Lenders of interest or unused commitment fees as set forth in clause (b) of the Applicable Rate definition; *provided* that only the consent of (A) the Required Lenders shall be necessary to amend the definition of "Default Rate," (B) the Required Lenders or, with respect to any Default Rate payable pursuant to clause (b) of the Applicable Rate definition, the Required Revolving Lenders with respect to the Revolving Facility will be necessary to waive any obligation of the Borrower to pay interest at the Default Rate and (C) the Swing Line Lender with respect to the Swing Line Facility shall be necessary to waive any obligation to pay interest at the Default Rate;

(d) except as contemplated by clause (C) in the second proviso immediately succeeding clause (i) of this Section 10.01(1), change any provision of this Section 10.01 or the definition of "Required Lenders" or "Required Facility Lenders," "Pro Rata Share", the last sentence of Section 2.01(2), the last four sentences of Section 2.03(2)(b), the last sentence of Section 2.03(3)(a), the last sentence of Section 2.04(1) or any other provision specifying the number of Lenders or portion of the Loans or Commitments required to take any action under the Loan Documents, without the written consent of each Lender directly and adversely affected thereby or change the definition of "Required Revolving Lenders" without the consent of each Revolving Lender;

(e) other than in a transaction permitted under Section 7.03 or Section 7.04, release all or substantially all of the Collateral in any transaction or series of related transactions, without the written consent of each Lender; or

(f) other than in a transaction permitted under Section 7.03 or Section 7.04, release all or substantially all of the aggregate value of the Guaranty, without the written consent of each Lender;

(g) amend, waive or otherwise modify any term or provision (including the waiver of any conditions set forth in Section 4.02 as to any Credit Extension under one or more Revolving Facilities) which directly affects Lenders under one or more Revolving Facilities and does not directly affect Lenders under any other Facilities, in each case, without the written consent of the Required Revolving Lenders under such applicable Revolving Facility or Facilities with respect to Revolving Commitments (and in the case of multiple Facilities which are affected, such Required Revolving Lenders shall consent together as one Facility); *provided*, *however*, that the waivers described in this clause (g) shall not require the consent of any Lenders other than the Required Revolving Lenders under the applicable Revolving Facility or Facilities (it being understood that any amendment to the conditions of effectiveness of Incremental Commitments set forth in Section 2.14 shall be subject to clause (i) below);

(h) amend, waive or otherwise modify the Financial Covenant or any definition related thereto (solely in respect of the use of such defined terms in the Financial Covenant) or waive any Default or Event of Default resulting from a failure to perform or observe the Financial Covenant without the written consent of the Required Revolving Lenders under the applicable Revolving Facility or Facilities with respect to Revolving Commitments (such Required Revolving Lenders shall consent together as one Facility); *provided*, *however*, that the amendments, waivers and other modifications described in this clause (h) shall not require the consent of any Lenders other than the Required Revolving Lenders under the applicable Revolving Facility or Facilities;

(i) amend, waive or otherwise modify any term or provision (including the availability and conditions to funding under Section 2.14 with respect to Incremental Term Loans and Incremental Revolving Commitments and the rate of interest applicable thereto) which directly affects Lenders of one or more Incremental Term Loans or Incremental Revolving Commitments and does not directly affect Lenders under any other Facility, in each case, without the written consent of the Required Revolving Lenders under such applicable Incremental Term Loans or Incremental Revolving Commitments (and in the case of multiple Facilities which are affected, such Required Revolving Lenders shall consent together as one Facility); *provided*, *however*, that, to the extent permitted under Section 2.14, the waivers described in this clause (i) shall only require the consent of the Required Revolving Lenders under such applicable Incremental Term Loans or Incremental Revolving Commitments;

(j) amend, waive or otherwise modify any term or provision which directly affects (x) 2017 Initial Revolving Lenders and does not directly affect Original Initial Revolving Lenders without the written consent of the Required Facility Lenders under the 2017 Initial Revolving Facility or (y) Original Initial Revolving Lenders and does not directly affect 2017 Initial Revolving Lenders without the written consent of the Required Facility Lenders under the Original Initial Revolving Facility;

provided that:

(I) no amendment, waiver or consent shall, unless in writing and signed by each Issuing Bank in addition to the Lenders required above, affect the rights or duties of such Issuing Bank under this Agreement or any Issuing Bank Document relating to any Letter of Credit issued or to be issued by it; *provided*, *however*, that this Agreement may be amended to adjust the mechanics related to the issuance of Letters of Credit, including mechanical changes relating to the existence of multiple Issuing Banks, with only the written consent of the Administrative Agent, the applicable Issuing Bank and the Borrower so long as the obligations of the Revolving Lenders, if any, who have not executed such amendment, and if applicable the other Issuing Banks, if any, who have not executed such amendment, are not adversely affected thereby;

(II) no amendment, waiver or consent shall, unless in writing and signed by the Swing Line Lender in addition to the Lenders required above, affect the rights or duties of the Swing Line Lender under this Agreement; provided, however, that this Agreement may be amended to adjust the borrowing mechanics related to Swing Line Loans with only the written consent of the Administrative Agent, the Swing Line Lender and the Borrower so long as the obligations of the Revolving Lenders, if any, who have not executed such amendment, are not adversely affected thereby;

(III) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders required above, affect the rights or duties of, or any fees or other amounts payable to, the Administrative Agent under this Agreement or any other Loan Document;

(IV)Section 10.07(g) may not be amended, waived or otherwise modified without the consent of each Granting Lender all or any part of whose Loans are being funded by an SPC at the time of such amendment, waiver or other modification;

(V) the consent of the Required Revolving Lenders or Required Facility Lenders, as applicable, shall be required with respect to any amendment that by its terms adversely affects the rights of Lenders under any Facility in respect of payments hereunder in a manner different than such amendment affects other Facilities; and

(VI)the consent of the Required Revolving Lenders (but without the consent of other Lenders, including the Required Lenders or Required Facility Lenders) shall be required to amend, waive or otherwise modify any provision of clause (b) of the definition of "Applicable Rate" that provides for an agreement, consent or waiver by the Required Revolving Lenders;

provided further that notwithstanding the foregoing:

(A) no Defaulting Lender shall have any right to approve or disapprove of any amendment, waiver or consent hereunder (and any amendment, waiver or consent which by its terms requires the consent of all Lenders, the Required Lenders, the Required Facility Lenders, the Required Revolving Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than Defaulting Lenders), except that the Revolving Commitment of any Defaulting Lender may not be increased or extended without the consent of such Defaulting Lender (it being understood that any Commitments or Loans held or deemed held by any Defaulting Lender shall be excluded for a vote of the Lenders hereunder requiring any consent of the Lenders);

(B) no Lender consent is required to effect any amendment or supplement to any Intercreditor Agreement (i) that is for the purpose of adding the holders of Permitted Incremental Equivalent Debt, Credit Agreement Refinancing Indebtedness or any other Permitted Indebtedness that is Secured Indebtedness (or a Debt Representative with respect thereto) as parties thereto, as expressly contemplated by the terms of such Intercreditor

SECTION 10.26 Judgment Currency. If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder or any other Loan Document in one currency into another currency, the rate of exchange used shall be that at which in accordance with normal banking procedures the Administrative Agent could purchase the first currency with such other currency on the Business Day preceding that on which final judgment is given. The obligation of the Borrower in respect of any such sum due from it to the Administrative Agent or the Lenders hereunder or under the other Loan Documents shall, notwithstanding any judgment in a currency (the "**Judgment Currency**") other than that in which such sum is denominated in accordance with the applicable provisions of this Agreement (the "**Agreement Currency**"), be discharged only to the extent that on the Business Day following receipt by the Administrative Agent of any sum adjudged to be so due in the Judgment Currency, the Administrative Agent may in accordance with normal banking procedures purchase the Agreement Currency with the Judgment Currency. If the amount of the Agreement Currency so purchased is less than the sum originally due to the Administrative Agent from the Borrower in the Agreement Currency, the Borrower agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Administrative Agent or the Person to whom such obligation was owing against such loss. If the amount of the Agreement Currency so purchased is greater than the sum originally due to the Administrative Agent in such currency, the Administrative Agent agrees to return the amount of any excess to the Borrower (or to any other Person who may be entitled thereto under applicable Law).

SECTION 10.27 Recognition of EU Bail-In.

(a) Notwithstanding anything to the contrary in this Agreement, any Loan Document thereunder or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising in connection with any New 2017 Refinancing Term Loans (or any Loan Document thereunder) contemplated by this Agreement, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(i) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

(ii) the effects of any ~~Bail-in~~Bail-In Action on any such liability, including, if applicable:

(A) a reduction in full or in part or cancellation of any such liability;

(B) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(C) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

(b) As used in this Agreement, the following terms have the meanings specified below:

(i) "Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

(ii) "Bail-In Legislation" means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the

COMMITMENTS

Lender	Closing Date Term Loan Commitment	Original Initial Revolving Commitment	~~Closing Date~~2017 Initial Revolving Commitment
Deutsche Bank AG New York Branch	$ 1,250,000,000		$ ~~67,675,000~~60,000,000
Goldman Sachs Bank USA			$ ~~67,675,000~~35,000,000
KKR Revolving Credit Partners L.P.			$ 32,675,000
Jefferies Finance LLC			$ 28,200,000
Mizuho Bank, Ltd.			$ 20,000,000
Bank of Montreal			$ 19,750,000
Royal Bank of Canada			$ 19,750,000
U.S. Bank National Association			$ 15,000,000
MIHI LLC			$ 11,275,000
Nomura Corporate Funding Americas, LLC			$ ~~11,275,000~~6,275,000
~~Mizuho~~Barclays Bank~~, Ltd.~~ PLC		$ 2,075,000	~~$~~ ~~9,400,000~~
~~U.S. Bank National Association~~			~~$~~ ~~15,000,000~~
Total:	$ 1,250,000,000	$ 2,075,000	$~~250,000,000~~247,925,000

Exhibit 10.8

EXECUTION VERSION

SEVENTH AMENDMENT TO CREDIT AGREEMENT

This SEVENTH AMENDMENT TO THE CREDIT AGREEMENT, dated as of March 22, 2018 (this "**Seventh Amendment**"), by and among LTF INTERMEDIATE HOLDINGS, INC., a Delaware corporation ("**Holdings**"), LIFE TIME, INC., a Minnesota corporation and successor in interest to LTF MERGER SUB, INC., as borrower (the "**Borrower**"), the Subsidiary Guarantors party hereto, DEUTSCHE BANK AG NEW YORK BRANCH, as administrative agent (in such capacity, including any successor thereto, the "**Administrative Agent**"), U.S. Bank National Association, as Issuing Bank and Swing Line Lender, the lenders party hereto making the New Term Loans (as defined below) (in such capacity, the "**New Term Loan Lenders**"), the lenders party hereto, as Incremental Revolving Lenders, that are not party to the Credit Agreement (as defined below) prior to the date hereof (in such capacity, the "**New Revolving Lenders**") and the Existing Revolving Lenders (as defined below) party hereto, as Incremental Revolving Lenders (in such capacity, the "**Increasing Revolving Lenders**"), and the other Existing Revolving Lenders party hereto. Unless otherwise indicated, all capitalized terms used herein and not otherwise defined shall have the respective meanings provided such terms in the Credit Agreement referred to below (as amended by this Seventh Amendment).

W I T N E S S E T H:

WHEREAS, the Borrower, Holdings, the Lenders from time to time party thereto and the Administrative Agent are parties to a Credit Agreement, dated as of June 10, 2015 (as amended by that certain Technical Amendment No. 1, dated as of July 21, 2015, that certain Technical Amendment. No. 2, dated as of September 14, 2015, that certain Third Amendment to the Credit Agreement dated as of June 9, 2016, that certain Fourth Amendment to the Credit Agreement dated as of January 27, 2017, that certain Fifth Amendment to the Credit Agreement dated as of November 15, 2017 and that certain Sixth Amendment to the Credit Agreement dated as of November 29, 2017, the "**Credit Agreement**");

WHEREAS, on the date hereof, there are outstanding Term Loans (the "**Existing Term Loans**") under the Credit Agreement in an aggregate principal amount of $1,317,214,335.94;

WHEREAS, on the date hereof, there are Revolving Commitments under the Credit Agreement in effect in an aggregate committed amount of $250,000,000.00 (the "**Existing Revolving Commitments**", the Revolving Lenders with respect to such Existing Revolving Commitments, the "**Existing Revolving Lenders**");

WHEREAS, in accordance with the provisions of Sections 2.14 and 10.01 of the Credit Agreement, the Borrower, Holdings, the Administrative Agent, the New Term Loan Lenders, the New Revolving Lenders, the Increasing Revolving Lenders, the Issuing Bank, the Swing Line Lender and the Required Revolving Lenders wish to amend the Credit Agreement to enable the Borrower to, among other things, (i) incur Incremental Term Loans (the "**New Term Loans**") in an aggregate principal amount of $200,000,000.00, so that, after giving effect to the New Term Loans, the total aggregate principal amount of the Term Facility outstanding on the Seventh Amendment Effective Date (as hereinafter defined) is 1,517,214,335.94, (ii) establish Incremental Revolving Commitments (the "**New Revolving Commitments**") in an aggregate principal amount of $110,000,000.00, so that, after giving effect to the New Revolving Commitments, the aggregate principal amount of Revolving Commitments in effect on the Seventh Amendment Effective Date is $360,000,000.00, (iii) increase the L/C Sublimit to $60,000,000.00 and (iv) increase the Swing Line Sublimit to $90,000,000.00; and

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed as follows:

SECTION 1. Amendments to Credit Agreement.

(a) New Term Loans.

(i) Subject to the satisfaction (or waiver) of the conditions set forth in Section 2 hereof and in reliance upon the representations and warranties set forth in Section 3 hereof, the New Term Loan Lenders severally, but not jointly, hereby agree to make the New Term Loans to the Borrower on the Seventh Amendment Effective Date (as defined below) in the aggregate principal amount of such New Term Loan Lender's New Term Loan Commitment (as defined below). The New Term Loans being made pursuant to this Seventh Amendment shall constitute Term Loans as defined in the Credit Agreement and shall be added to, and thereafter constitute a part of, the same Class of Term Loans as the Existing Term Loans for all purposes under the Credit Agreement and the other Loan Documents (including without limitation ranking *pari passu* in right of payment and of security with the Existing Term Loans and maturing on the same date that the Existing Term Loans mature). The New Term Loans are intended to be treated as being fungible with the Existing Term Loans for U.S. federal income tax purposes and will trade under the same CUSIP number as the Existing Term Loans. The New Term Loans will (x) amortize at the same rate of amortization as the Existing Term Loans, resulting in the New Term Loans having a Weighted Average Life to Maturity not less than the Existing Term Loans and (y) otherwise be on the exact same terms applicable to the Existing Term Loans.

(ii) The Administrative Agent has prepared a schedule attached hereto as Schedule I (the "**New Term Loan Commitment Schedule**") which sets forth the allocated commitments received by it (collectively, the "**New Term Loan Commitments**") from the New Term Loan Lenders. The Administrative Agent has notified each New Term Loan Lender of its allocated New Term Loan Commitment, and each lender that holds a New Term Loan Commitment is a signatory to this Seventh Amendment.

(iii) The Borrower and each New Term Loan Lender agree that the New Term Loans will be issued at a price equal to 100% of the aggregate principal amount thereof.

(iv) The Borrower hereby acknowledges that all of the New Term Loans are being incurred in reliance on the Ratio Amount under Section 2.14 of the Credit Agreement.

(b) New Revolving Loans.

(i) Subject to the satisfaction (or waiver) of the conditions set forth in Section 2 hereof and in reliance upon the representations and warranties set forth in Section 3 hereof, each New Revolving Lender and each Increasing Revolving Lender severally, but not jointly, hereby agrees to establish New Revolving Commitments on the Seventh Amendment Effective Date such that, after giving effect to the establishment of such New Revolving Commitments, the total Revolving Commitment of such New Revolving Lender or such Increasing Revolving Lender, as applicable, will be the amount set forth opposite the name of such New Revolving Lender or such Increasing Revolving Lender, as applicable, on Schedule I hereto. The (x) New Revolving Commitments shall comprise a single Class with the 2017 Initial Revolving Commitments and (y) if and when Revolving Loans are incurred under the New Revolving Commitments, such Revolving Loans shall comprise a single Class with the 2017 Initial Revolving Loans, in each case, with terms and provisions identical to the 2017 Initial Revolving Commitments and 2017 Initial Revolving Loans, as applicable (including without limitation ranking *pari passu* in right of payment and of security and maturing on the same date).

(ii) Each of the parties hereto hereby agrees that (i) the Administrative Agent may take any and all actions as may be reasonably necessary to ensure that all of the Revolving Lenders (including the New Revolving Lenders) participate in each outstanding Letter of Credit and Swing Line Loan, if any, pro rata on the basis of their respective Revolving Commitments (after giving effect to the New Revolving Commitments), including by assigning to each New Revolving Lender or Increasing Revolving Lender, as applicable, a portion of each then-existing Revolving Lender's participations under the Credit Agreement in outstanding Letters of Credit and Swing Line Loans, if any, and each New Revolving Lender and Increasing Revolving Lender hereby automatically and without further action shall be deemed to have assumed a portion of such existing Revolving Lender's participations, such that, after giving effect to each deemed assignment and assumption of participations, all of the Revolving Lenders' (including the New Revolving Lenders' and the Increasing Revolving Lenders') participations in Letters of Credit and Swing Line Loans shall be held ratably on the basis of their respective Revolving Commitments (after giving effect to the New Revolving Commitments) and (ii) the Administrative Agent may cause all existing Revolving Lenders to assign Revolving Loans to each New Revolving Lender and each Increasing Revolving Lender, and each New Revolving Lender and each Increasing Revolving Lender shall purchase such Revolving Loans, in each case to the extent necessary so that all of the Revolving Lenders participate in each outstanding Borrowing of Revolving Loans pro rata on the basis of their respective Revolving Commitments (after giving effect to the New Revolving Commitments).

(iii) The Borrower hereby acknowledges that (1) $42,000,000 of the New Revolving Commitments are being established in reliance on the Ratio Amount under Section 2.14 of the Credit Agreement and (2) $68,000,000 of the New Revolving Commitments are being established in reliance on the Fixed Incremental Amount under Section 2.14 of the Credit Agreement.

(c) Interest; Interest Periods. The Applicable Rate for the New Term Loans and the New Revolving Loans shall be the same as the Applicable Rate that applies to the Existing Term Loans and the Existing Revolving Loans of the same Type, respectively. All Interest Periods applicable to Existing Term Loans and Existing Revolving Loans shall continue in effect after the Seventh Amendment Effective Date. The New Term Loans shall be initially incurred pursuant to a single Borrowing of Eurodollar Rate Loans, with such Borrowing to be subject to (x) Interest Periods which commence on the Seventh Amendment Effective Date and end on the last day of the Interest Periods applicable to the Existing Term Loans and (y) the Eurodollar Rates applicable to the Existing Term Loans for such Interest Periods. The New Term Loans of each Lender shall be allocated ratably to such Interest Periods (based upon the relative principal amounts of Borrowings of the Existing Term Loans subject to such Interest Periods immediately prior to the Seventh Amendment Effective Date), with the effect being that the New Term Loans that are funded in cash on the Seventh Amendment Effective Date shall be ratably allocated to the various Interest Periods as described above. The Administrative Agent shall record the New Term Loans in the Register, and the principal amounts and stated interest of the New Term Loans owing to the New Term Loan Lenders and their subsequent permitted assignees. From and after the Seventh Amendment Effective Date to the first Interest Payment Date to occur after the Seventh Amendment Effective Date, the Administrative Agent shall make all payments in respect of interest on the New Term Loans to the New Term Loan Lenders for amounts which have accrued on the New Term Loans from the Seventh Amendment Effective Date to but excluding such Interest Payment Date (and to the extent any New Term Loan Lender assigns all or any portion of the New Term Loans during such period, such payment shall be made in accordance with Section 2 on Annex 1 to the applicable Assignment and Assumption).

(d) Use of Proceeds. The Borrower will use the proceeds of the New Term Loans and the Revolving Loans (if any) incurred on the Seventh Amendment Effective Date to (i) pay fees and expenses in connection with the preparation and negotiation of this Seventh Amendment and the funding of the New Term Loans, (ii) to prepay Revolving Loans and (iii) for working capital or other general corporate purposes not prohibited by the Loan Documents.

(e) Additional Credit Agreement Amendments. Subject to the satisfaction (or waiver) of the conditions set forth in Section 2 hereof and upon the making of the New Term Loans, the Credit Agreement is hereby amended as follows:

(i) Section 1.01 of the Credit Agreement is hereby amended by replacing "$50.0 million" with "$60,000,000" in the definition of "L/C Sublimit".

(ii) Section 1.01 of the Credit Agreement is hereby amended by replacing "$75,000,000" with "$90,000,000" in the definition of "Swing Line Sublimit".

(iii) Section 2.07(1) of the Credit Agreement is hereby amended by amending and restating such Section in its entirety as follows:

"(1) Term Loans. The Borrower shall repay to the Administrative Agent for the ratable account of the Appropriate Lenders as follows:

(a) on the last Business Day of each March, June, September and December, an aggregate principal amount equal to the amount corresponding to such fiscal quarter in the table below (which payments shall be reduced as a result of the application of prepayments in accordance with the order of priority set forth in Section 2.05):

Fiscal Quarter Ended	Principal Amount to be Repaid
March 31, 2018	$ 3,802,542.20
June 30, 2018	$ 3,802,542.20
September 31, 2018	$ 3,802,542.20
December 31, 2018	$ 3,802,542.20
March 31, 2019	$ 3,802,542.20
June 30, 2019	$ 3,802,542.20
September 31, 2019	$ 3,802,542.20
December 31, 2019	$ 3,802,542.20
March 31, 2020	$ 3,802,542.20
June 30, 2020	$ 3,802,542.20

September 31, 2020	$3,802,542.20
December 31, 2020	$3,802,542.20
March 31, 2021	$3,802,542.20
June 30, 2021	$3,802,542.20
September 31, 2021	$3,802,542.20
December 31, 2021	$3,802,542.20
March 31, 2022	$3,802,542.20

; and

(b) on the Maturity Date for the Term Loans, the aggregate principal amount of all Term Loans outstanding on such date. In connection with any Incremental Term Loans that constitute part of the same Class as the New 2017 Refinancing Term Loans, the Borrower and the Administrative Agent shall be permitted to adjust the rate of prepayment in respect of such Class such that the Term Lenders holding New 2017 Refinancing Term Loans comprising part of such Class continue to receive a payment that is not less than the same dollar amount that such Term Lenders would have received absent the incurrence of such Incremental Term Loans."

(iv) Schedule 2.01 to the Credit Agreement is hereby replaced in its entirety with Schedule 2.01 hereto.

SECTION 2. Conditions of Effectiveness of this Seventh Amendment. This Seventh Amendment shall become effective and each New Term Loan Lender shall disburse the New Term Loan to be made by it pursuant to Section 1(a) and the New Revolving Commitments shall be established pursuant to Section 1(b) on the date (the "**Seventh Amendment Effective Date**") when the following conditions shall have been satisfied (or waived):

(a) the Administrative Agent (or its counsel) shall have received from the Borrower, Holdings, the Administrative Agent, the Issuing Bank, the Swing Line Lender, each New Term Loan Lender, each New Revolving Lender, each Increasing Revolving Lender and the Required Revolving Lenders counterparts of this Seventh Amendment signed on behalf of such parties (including by way of facsimile or other electronic transmission);

(b) substantially simultaneously with the making of the New Term Loans and the establishment of the New Revolving Commitments, the Borrower shall have paid, by wire transfer of immediately available funds all reasonable and documented costs, fees, out-of-pocket expenses (including the reasonable and documented fees, disbursements and other charges of Davis Polk & Wardwell LLP in connection with this Seventh Amendment), compensation and other amounts then due and payable pursuant to the Amended and Restated Engagement Letter, dated as of March 13, 2018, by and among the Borrower, Deutsche Bank Securities Inc., BMO Capital Markets Corp., Goldman Sachs Bank USA, Jefferies Finance LLC, JPMorgan Chase Bank, N.A., KKR Capital Markets LLC, Macquarie Capital

(USA) Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Mizuho Bank Ltd., Morgan Stanley Senior Funding, Inc., Nomura Securities International, Inc., RBC Capital Markets, LLC, U.S. Bank National Association, and Wells Fargo Securities, LLC, as amended, restated or otherwise modified from time to time, and the "Fee Letter" referred to therein, and in the case of the costs and out-of-pocket expenses, to the extent invoiced at least one Business Day prior to the Seventh Amendment Effective Date;

(c) on the Seventh Amendment Effective Date and after giving effect to this Seventh Amendment, the making of the New Term Loans and the establishment of the New Revolving Commitments (including the making of Revolving Loans to be made on such date (if any)), (i) no Default or Event of Default shall have occurred and be continuing and (ii) the representations and warranties of the Borrower and each other Loan Party in this Seventh Amendment, the Credit Agreement and the other Loan Documents shall be accurate in all material respects (except for any representations and warranties already qualified by materiality or Material Adverse Effect, which shall be accurate in all respects) before and after the effectiveness of this Seventh Amendment and the making of the New Term Loans or the application of the proceeds thereof;

(d) the Administrative Agent shall have received a certificate executed by a Responsible Officer of the Borrower certifying compliance with the requirements of the preceding clause (c);

(e) the Administrative Agent shall have received no fewer than three Business Days prior to the Seventh Amendment Effective Date a Committed Loan Notice, duly executed by the Borrower, for the Borrowing of the New Term Loans pursuant to this Seventh Amendment;

(f) there shall have been delivered to the Administrative Agent (A) certificates of good standing from the secretary of state of the state of organization of each Loan Party (to the extent such concept exists in such jurisdiction), customary certificates of resolutions or other action, and incumbency certificates, (B) a certificate of a Responsible Officer of the Borrower (which may be contained in the same certificate as the certificate delivered pursuant to the preceding clause (d)), certifying that since the Amendment No. 6 Effective Date, except as attached to such certificate, there have been no changes to the Organizational Documents of the Loan Parties and/or attaching copies of any such Organizational Documents that have changed since the Amendment No. 6 Effective Date and (C) a solvency certificate from a Responsible Officer of the Borrower (after giving effect to the New Term Loans, the establishment of the New Revolving Commitments and the borrowing of Revolving Loans to be borrowed on such date (if any)) substantially in the form attached to the Credit Agreement as Exhibit I; and

(g) the Administrative Agent shall have received an opinion from (i) Latham & Watkins LLP, special New York counsel to the Loan Parties and (ii) Faegre Baker Daniels LLP, special Minnesota counsel to the Loan Parties, in each case in form and substance reasonably satisfactory to the Administrative Agent and addressed to the Administrative Agent, the New Term Loan Lenders, the New Revolving Lenders and the Increasing Revolving Lenders.

SECTION 3. Representations and Warranties. To induce the Administrative Agent, the Issuing Bank, the Swing Line Lender, the New Term Loan Lenders, the New Revolving Lenders, the Increasing Revolving Lenders and the Required Revolving Lenders party hereto to enter into this Seventh Amendment, each of the Borrower and Holdings represents and warrants to the Administrative Agent, the Issuing Bank, the Swing Line Lender, the New Term Loan Lenders, the New Revolving Lenders and the Required Revolving Lenders party hereto on and as of the Seventh Amendment Effective Date that:

(a) all of the representations and warranties of each Loan Party contained in the Credit Agreement and the other Loan Documents are true and correct in all material respects on and as of the Seventh Amendment Effective Date; provided that, to the extent that such representations and warranties specifically refer to an earlier date, they shall be true and correct in all material respects as of such earlier

date; provided further that any representation and warranty that is qualified as to "materiality," "Material Adverse Effect" or similar language shall be true and correct (after giving effect to any qualification therein) in all respects on and as of the Seventh Amendment Effective Date or such earlier date; and

(b) no Default or Event of Default exists as of the Seventh Amendment Effective Date, or would result from the making of the New Term Loans, the establishment of the New Revolving Commitment or the making of any Loans to be made on such date or the application of the proceeds therefrom.

SECTION 4. Reaffirmation of Guaranty. Each Guarantor reaffirms its guarantee of the Guaranteed Obligations (as defined in the Guaranty) under the terms and conditions of the Guaranty and agrees that such guarantee remains in full force and effect and is hereby ratified, reaffirmed and confirmed. Each Guarantor hereby confirms that it consents to the terms of this Seventh Amendment, including, without limitation, the extension of additional credit to the Borrower in the form of the (i) New Term Loans in an aggregate principal amount of $200,000,000.00 and (ii) New Revolving Commitments in an aggregate principal amount of $110,000,000.00, in each case, in addition to the obligations owed by the Loan Parties under the Credit Agreement immediately prior to the Seventh Amendment Effective Date and which constitute "Guaranteed Obligations" of such Guarantor under the Guaranty as amended by this Seventh Amendment. Each Guarantor hereby (i) confirms that each Loan Document to which it is a party or is otherwise bound will continue to guarantee, to the fullest extent possible in accordance with the Loan Documents, the payment and performance of the Guaranteed Obligations, including without limitation the payment and performance of all such applicable Guaranteed Obligations that are joint and several obligations of each Guarantor now or hereafter existing; (ii) acknowledges and agrees that its Guaranty and each of the Loan Documents to which it is a party or otherwise bound shall continue in full force and effect and that all of its obligations thereunder shall be valid and enforceable and shall not be impaired or limited by the execution or effectiveness of the Seventh Amendment; and (iii) acknowledges, agrees and warrants for the benefit of the Administrative Agent and each Secured Party that there are no rights of set-off or counterclaim, nor any defenses of any kind, whether legal, equitable or otherwise, that would enable such Guarantor to avoid or delay timely performance of its obligations under the Loan Documents (except to the extent such obligations constitute Excluded Swap Obligations (as defined in the Guaranty) with respect to such Guarantor).

SECTION 5. Reaffirmation of Security Agreement.

(a) Each Loan Party hereby acknowledges that it has reviewed and consents to the terms and conditions of this Seventh Amendment and the transactions contemplated hereby, including, without limitation, the extension of credit in the form of New Term Loans in an aggregate principal amount of $200,000,000.00 and New Revolving Commitments in an aggregate principal amount of $110,000,000.00. In addition, each Loan Party reaffirms the security interests granted by such Loan Party under the terms and conditions of the Security Agreement to secure the Obligations and agrees that such security interests remain in full force and effect and are hereby ratified, reaffirmed and confirmed. Each Loan Party hereby confirms that the security interests granted by such Loan Party under the terms and conditions of the Security Agreement secure the New Term Loans and the New Revolving Commitments as part of the Obligations. Each Loan Party hereby (i) confirms that each Loan Document to which it is a party or is otherwise bound and all Collateral (as defined in the Security Agreement) encumbered thereby will continue to guarantee or secure, as the case may be, to the fullest extent possible in accordance with the Loan Documents, the payment and performance of the Obligations, as the case may be, including, without limitation, the payment and performance of all such applicable Obligations that are joint and several obligations of each Loan Party now or hereafter existing, (ii) confirms its respective grant to the Collateral Agent for the benefit of the Secured Parties of the security interest in and continuing Lien on all of such Loan Party's right, title and interest in, to and under all Collateral (as defined in the Security

Agreement), whether now owned or existing or hereafter acquired or arising and wherever located, as collateral security for the prompt and complete payment and performance in full when due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise, of all applicable Obligations (including all such Obligations as amended, reaffirmed and/or increased pursuant to this Seventh Amendment), subject to the terms contained in the applicable Loan Documents, and (iii) confirms its respective guarantees, pledges, grants of security interests and other obligations, as applicable, under and subject to the terms of each of the Loan Documents to which it is a party.

(b) Each Loan Party acknowledges and agrees that each of the Loan Documents to which it is a party or otherwise bound shall continue in full force and effect and that all of its obligations thereunder shall be valid and enforceable and shall not be impaired or limited by the execution or effectiveness of this Seventh Amendment.

SECTION 6. Reference to and Effect on the Credit Agreement and the Loan Documents.

(a) This Seventh Amendment shall constitute both an Incremental Amendment and a Loan Document under the Credit Agreement.

(b) On and after the Seventh Amendment Effective Date, (i) each reference in the Credit Agreement to "this Agreement," "hereunder," "hereof" or words of like import referring to the Credit Agreement shall mean and be a reference to the Credit Agreement, as amended by this Seventh Amendment and (ii)(w) each New Term Loan Lender shall constitute a "2017 Refinancing Term Lender", a "Term Lender" and a "Lender", (x) each New Revolving Lender and each Increasing Revolving Lender shall constitute a "2017 Initial Revolving Lender", a "Revolving Lender" and a "Lender", (y) the New Term Loans shall constitute "New 2017 Refinancing Term Loans", "Term Loans" and "Loans" and (z) the New Revolving Commitments shall constitute "2017 Initial Revolving Commitments", "Commitments" and "Revolving Commitments", in each case, under (and as defined in) the Credit Agreement after giving effect to this Seventh Amendment.

(c) The Credit Agreement and each of the other Loan Documents, as specifically amended by this Seventh Amendment, are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed. Without limiting the generality of the foregoing, the Collateral Documents and all of the Collateral described therein do and shall continue to secure the payment of all Obligations of the Loan Parties under the Loan Documents, in each case, as amended by this Seventh Amendment.

(d) The execution, delivery and effectiveness of this Seventh Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any Lender or the Administrative Agent under any of the Loan Documents, nor constitute a waiver of any provision of any of the Loan Documents.

(e) This Seventh Amendment may not be amended, modified or waived except pursuant to a writing signed by each of the parties hereto.

SECTION 7. Governing Law. THIS SEVENTH AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

SECTION 8. Counterparts. This Seventh Amendment may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Seventh Amendment by telecopy or other electronic imaging (including in .pdf format) means shall be effective as delivery of a manually executed counterpart of this Seventh Amendment.

SECTION 9. Electronic Execution. The words "execution," "signed," "signature," and words of like import in this Seventh Amendment or in any amendment or other modification hereof (including waivers and consents) shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

[*The remainder of this page is intentionally left blank.*]

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized officers to execute and deliver this Seventh Amendment as of the date first above written.

LIFE TIME, INC., as Borrower

By: /s/ James Spolar
Name: James Spolar
Title: Secretary

LTF INTERMEDIATE HOLDINGS, INC., as Holdings and Guarantor

By: /s/ James Spolar
Name: James Spolar
Title: Secretary

LTF CLUB OPERATIONS COMPANY, INC., as Guarantor,

By: /s/ James Spolar
Name: James Spolar
Title: Secretary

LTF OPERATIONS HOLDINGS, INC., as Guarantor,

By: /s/ James Spolar
Name: James Spolar
Title: Secretary

LTF MANAGEMENT SERVICES, LLC, as Guarantor,

By: /s/ James Spolar
Name: James Spolar
Title: Secretary

LTF CONSTRUCTION COMPANY, LLC, as Guarantor,

By: /s/ James Spolar
Name: James Spolar
Title: Secretary

LTF RESTAURANT COMPANY, LLC, as Guarantor,

By: /s/ James Spolar
Name: James Spolar
Title: Secretary

LTF CLUB MANAGEMENT COMPANY, LLC, as Guarantor,

By: /s/ James Spolar
Name: James Spolar
Title: Secretary

LTF MINNETONKA RESTAURANT COMPANY, LLC, as Guarantor,

By: /s/ James Spolar
Name: James Spolar
Title: Secretary

LTF TRIATHLON SERIES, LLC, as Guarantor,

By: /s/ James Spolar
Name: James Spolar
Title: Secretary

ATHLINKS INC., as Guarantor,

By: /s/ James Spolar
Name: James Spolar
Title: Secretary

LTF ARCHITECTURE, LLC, as Guarantor,

By: /s/ James Spolar
Name: James Spolar
Title: Secretary

LTF LEASE COMPANY, LLC, as Guarantor,

By: /s/ James Spolar
Name: James Spolar
Title: Secretary

LTF REAL ESTATE HOLDINGS, LLC, as Guarantor,

By: /s/ James Spolar
Name: James Spolar
Title: Secretary

LTF REAL ESTATE COMPANY, INC., as Guarantor,

By: /s/ James Spolar
Name: James Spolar
Title: Secretary

LTF EDUCATIONAL PROGRAMS, LLC, as Guarantor,

By: /s/ James Spolar
Name: James Spolar
Title: Secretary

LTF GROUND LEASE COMPANY, LLC, as Guarantor,

By: /s/ James Spolar
Name: James Spolar
Title: Secretary

DEUTSCHE BANK AG NEW YORK BRANCH, as Administrative Agent, Existing Revolving Lender and New Term Loan Lender

By: /s/ Maria Guinchard
Name: Maria Guinchard
Title: Vice President

By: /s/ Alicia Schug
Name: Alicia Schug
Title: Vice President

BANK OF AMERICA, N.A.,
as New Revolving Lender

By: /s/ Charles Hart
Name: Charles Hart
Title: Vice President

[Signature Page to Seventh Amendment to Credit Agreement]

JPMORGAN CHASE BANK, N.A.
as New Revolving Lender

By: /s/ Richard Barritt
Name: Richard Barritt
Title: Executive Director

[Signature Page to Seventh Amendment to Credit Agreement]

MORGAN STANLEY SENIOR FUNDING, INC.
as New Revolving Lender

By: /s/ Michael King
Name: Michael King
Title: Vice President

[Signature Page to Seventh Amendment to Credit Agreement]

WELLS FARGO BANK, NATIONAL ASSOCIATION
as New Revolving Lender

By: /s/ Maribelle Villaseñor
Name: Maribelle Villaseñor
Title: Director

[Signature Page to Seventh Amendment to Credit Agreement]

Bank of Montreal,
as Existing Revolving Lender

By: /s/ Lindsay L. Goetz
Name: Lindsay L. Goetz
Title: Managing Director

GOLDMAN SACHS BANK USA,
as Existing Revolving Lender

By: /s/ Annie Carr
Name: Annie Carr
Title: Authorized Signatory

[Signature Page to Seventh Amendment to Credit Agreement]

JEFFERIES FINANCE LLC,
as Existing Revolving Lender

By: /s/ J. Paul McDonnell
Name: J. Paul McDonnell
Title: Managing Director

[Signature Page to Seventh Amendment to Credit Agreement]

MIHI LLC,
as Existing Revolving Lender

By: /s/ Ayesha Farooqi
Name: Ayesha Farooqi
Title: Authorized Signatory

By: /s/ Lisa Grushkin
Name: Lisa Grushkin
Title: Authorized Signatory

Mizuho Bank, Ltd.,
as Existing Revolving Lender

By: /s/ James Fayen
Name: James Fayen
Title: Managing Director

[Signature Page to Seventh Amendment to Credit Agreement]

NOMURA CORPORATE FUNDING AMERICAS, LLC
as Existing Revolving Lender

By: /s/ G. Andrew Keith
Name: G. Andrew Keith
Title: Executive Director

[Signature Page to Seventh Amendment to Credit Agreement]

ROYAL BANK OF CANADA,
as Existing Revolving Lender

By: /s/ John Flores
Name: John Flores
Title: Authorized Signatory

[Signature Page to Seventh Amendment to Credit Agreement]

U.S. BANK NATIONAL ASSOCIATION,
as Swing Line Lender, Issuing Bank, Increasing Revolving Lender and Existing Revolving Lender

By: /s/ Stephen H. Smith
Name: Stephen H. Smith
Title: Senior Vice President

[Signature Page to Seventh Amendment to Credit Agreement]

Exhibit 10.9

Execution Version

EIGHTH AMENDMENT TO CREDIT AGREEMENT

This EIGHTH AMENDMENT TO THE CREDIT AGREEMENT, dated as of January 22, 2021 (this "**Eighth Amendment**"), by and among LTF INTERMEDIATE HOLDINGS, INC., a Delaware corporation ("**Holdings**"), LIFE TIME, INC. (formerly known as LIFE TIME FITNESS, INC.), a Minnesota corporation and successor in interest to LTF MERGER SUB, INC., as borrower (the "**Borrower**"), the Subsidiary Guarantors party hereto, DEUTSCHE BANK AG NEW YORK BRANCH, as administrative agent (in such capacity, including any successor thereto, the "**Administrative Agent**"), the Issuing Bank, the Swing Line Lender, each party executing this Amendment as an Extending Revolving Lender (each, an "**Extending Revolving Lender**"), each party executing this Amendment as an Other Consenting Lender (each, an "**Other Consenting Lender**") and the New Refinancing Term Loan Lenders (as hereinafter defined) party hereto. Unless otherwise indicated, all capitalized terms used herein and not otherwise defined shall have the respective meanings provided such terms in the Credit Agreement referred to below (as amended by this Eighth Amendment).

W I T N E S S E T H:

WHEREAS, the Borrower, Holdings, the Lenders from time to time party thereto and the Administrative Agent are parties to a Credit Agreement, dated as of June 10, 2015 (as amended by that certain Technical Amendment No. 1, dated as of July 21, 2015, that certain Technical Amendment. No. 2, dated as of September 14, 2015, that certain Third Amendment to the Credit Agreement dated as of June 9, 2016, that certain Fourth Amendment to the Credit Agreement dated as of January 27, 2017 and that certain Fifth Amendment to the Credit Agreement dated as of November 15, 2017, that certain Sixth Amendment to the Credit Agreement dated as of November 29, 2017, and that certain Seventh Amendment to the Credit Agreement dated as of March 22, 2018, the "**Credit Agreement**");

WHEREAS, on the date hereof, there are Revolving Commitments under the Credit Agreement in effect in an aggregate committed amount of $357,925,000.00 (the "**Existing Revolving Commitments**");

WHEREAS, on the date hereof, there are outstanding Revolving Loans under the Credit Agreement in an aggregate principal amount of $109,000,000 (the "**Existing Revolving Loans**");

WHEREAS, on the date hereof, each Extending Revolving Lender holds (i) Existing Revolving Loans in an aggregate principal amount set forth opposite such Extending Revolving Lender's name on the Extending Revolving Commitment Schedule (as hereinafter defined) (the "**Existing Extended Revolving Loans**") and (ii) Existing Revolving Commitments in an aggregate principal amount set forthopposite such Extending Revolving Lender's name on the Extending Revolving Commitment Schedule (the "**Existing Extended Revolving Commitments**");

WHEREAS, Section 2.16 of the Credit Agreement permits the Lenders of any Class of the Revolving Facility with a like Maturity Date, upon request of the Borrower, to extend the Maturity Date with respect to all or a portion of its Revolving Commitments by converting all or a portion of its Revolving Commitments under such Class of the Revolving Facility into Extended Revolving Commitments pursuant to the procedures described therein;

WHEREAS, in accordance with such procedures, the Borrower has requested that each Revolving Lender extend the scheduled termination of its Existing Revolving Commitment and certain of the Revolving Lenders have agreed to do so;

WHEREAS, in accordance with the provisions of Sections 2.16 and 10.01 of the Credit Agreement, the Borrower, Holdings, the Administrative Agent, the Issuing Bank, the Swing Line Lender, the Other Consenting Lenders and the Extending Revolving Lenders wish to amend the Credit Agreement to enable the Borrower to, among other things, extend the Maturity Date with respect to the Extending Revolving Lenders' (i) Existing Extended Revolving Loans outstanding and (ii) Existing Extended Revolving Commitments in effect, in each case, immediately prior to the Eighth Amendment Effective Date (as hereinafter defined);

WHEREAS, on the date hereof, there are outstanding Term Loans under the Credit Agreement in an aggregate principal amount of $1,471,583,829.56 (the "**Existing Term Loans**");

WHEREAS, in accordance with the provisions of Sections 2.15 and 10.01 of the Credit Agreement, the Borrower, Holdings, the Administrative Agent and the New Refinancing Term Loan Lenders (as hereinafter defined) wish to amend the Credit Agreement to enable the Borrower to, among other things, refinance in full the aggregate amount of Term Loans outstanding immediately prior to the Eighth Amendment Effective Date;

WHEREAS, pursuant to Section 2.15 of the Credit Agreement, the Borrower has requested that (i) the 2021 Refinancing Term Loan Lenders listed on the New Refinancing Term Loan Commitment Schedule (as defined below) provide new Refinancing Term Loans under the Credit Agreement and (ii) certain lenders who are currently Lenders with respect to Existing Term Loans under the Credit Agreement (each, a "**Converting Lender**"), convert all of their outstanding Existing Term Loans into new Refinancing Term Loans (each such new Refinancing Term Loan, a "**Converting Term Loan**") in the same aggregate principal amount as such Converting Lender's Existing Term Loan (or such lesser amount as specified by the Administrative Agent) simultaneously with the making of other new Refinancing Term Loans hereunder (such Refinancing Term Loans and Converting Term Loans, collectively the "**2021 Refinancing Term Loans**" and each Lender that holds a 2021 Refinancing Term Loan, a "**New Refinancing Term Loan Lender**" and, collectively, the "**New Refinancing Term Loan Lenders**") in an aggregate principal amount of $850,000,000; and

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed as follows:

SECTION 1. Amendments to Credit Agreement.

(a) Extending Revolving Commitments and Extending Revolving Loans.

(i) Subject to the satisfaction (or waiver) of the conditions set forth in Section 2 hereof and in reliance upon the representations and warranties set forth in Section 3 hereof, the Extending Revolving Lenders severally, but not jointly, hereby agree (x) to establish Extended Revolving Commitments by converting their respective Existing Extended Revolving Commitments into Revolving Commitments under the 2021 Initial Revolving Facility (as defined in the Credit Agreement after giving effect to this Eighth Amendment) in an amount equal to their respective Existing Extended Revolving Commitments (the "**Extending Revolving Commitments**"), (y) that automatically upon the effectiveness of this Eighth Amendment on the Eighth Amendment Effective Date and without any further action by any Person, each Extending Revolving Lender's Existing Extended Revolving Loans outstanding on the Eighth Amendment Effective Date shall be deemed to have been converted into, and, for all purposes of the Credit Agreement and the other Loan Documents, shall constitute, Extended Revolving Loans (the "**Extending Revolving Loans**") under the 2021 Initial Revolving Facility in an outstanding principal amount equal to such Extending Revolving Lender's Existing Extended Revolving Loans and (z) that the Administrative Agent may take whatever administrative actions it deems necessary and appropriate to reflect the foregoing in the Register.

(ii) The Administrative Agent has prepared a schedule attached hereto as Schedule A (the "**Extending Revolving Commitment Schedule**") which sets forth (x) the Existing Extended Revolving Loans of each Extending Revolving Lender and (y) the Existing Extended Revolving Commitments of each Extending Revolving Lender.

(iii) (x) The Extending Revolving Commitments shall be designated as a new Class of Revolving Commitments under the Revolving Facility and (y) Extending Revolving Loans shall be designated as a new Class of Revolving Loans under the Revolving Facility, in each case, with terms and provisions identical to the Existing Revolving Commitments and Existing Revolving Loans, as applicable, except as set forth herein.

(b) 2021 Refinancing Term Loans.

(i) Subject to the satisfaction (or waiver) of the conditions set forth in Section 2 hereof and in reliance upon the representations and warranties set forth in Section 3 hereof, the New Refinancing Term Loan Lenders severally, but not jointly, hereby agree to (x) make 2021 Refinancing Term Loans to the Borrower on the Eighth Amendment Effective Date in the aggregate principal amount of such New Refinancing Term Loan Lender's New Refinancing Term Loan Commitment (as defined below) and/or (y) convert their Existing Term Loans into 2021 Refinancing Term Loans pursuant to Section 6(f), as applicable.

(ii) The Administrative Agent has prepared a schedule attached hereto as Schedule B (the "**New Refinancing Term Loan Commitment Schedule**") which sets forth the "**New Refinancing Term Loan Commitment**" of each New Refinancing Term Loan Lender set forth therein.

(iii) The 2021 Refinancing Term Loans shall be designated as a new Class of Term Loans under the Credit Agreement, with terms and provisions identical to the Existing Term Loans, except as set forth herein.

(c) Additional Credit Agreement Amendments. Each of the parties hereto agrees that, subject to the satisfaction (or waiver) of the conditions set forth in Section 2 hereof and upon the establishment of the Extending Revolving Commitments, the conversion of the Existing Extended Revolving Loans into the Extending Revolving Loans and the making of the 2021 Refinancing Term Loans:

(i) the Credit Agreement shall be amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the double-underlined text (indicated textually in the same manner as the following example: double-underlined text) as set forth in the pages of the Credit Agreement attached as Annex II hereto; and

(ii) the Credit Agreement shall be amended by amending and restating Exhibits G-1 and G-2 thereto as attached as Annex III and Annex IV hereto, respectively.

(d) Lender Replacement. The Borrower hereby notifies the Administrative Agent and Term Lenders who are party to the Credit Agreement immediately prior to the Eighth Amendment Effective Date and not party to this Eighth Amendment (each, a "**Non-Extending Lender**") that hold Term Loans (all such Term Loans held by Non-Extending Lenders, "**Non-Extended Loans**") that, pursuant to Section 3.07 of the Credit Agreement, it has elected to replace each such Non-Extending Lender with respect to such

Non-Extended Loans by assignment. Each such Non-Extending Lender shall hereby be deemed to have, effective on the Eighth Amendment Effective Date contemporaneously with the other transactions described herein, to have assigned its Non-Extended Loans to the New Refinancing Term Loan Lenders on a ratable basis in accordance with the pro rata shares of such Lenders set forth on Schedule B hereto. The Borrower, the Administrative Agent, the Lenders party hereto and, to the extent required under Section 10.07 of the Credit Agreement, the Issuing Bank and the Swing Line Lender, hereby consent to each of the assignments described in the preceding sentence.

SECTION 2. Conditions of Effectiveness of this Eighth Amendment. This Eighth Amendment shall become effective and each Extending Revolving Lender shall establish the Extending Revolving Commitment to be established by it and disburse the Extending Revolving Loan to be made by it and each New Refinancing Term Loan Lender shall disburse the 2021 Refinancing Term Loan to be made by it, in each case, pursuant to Sections 1(a) and 1(b), respectively, on the date (the "**Eighth Amendment Effective Date**") when the following conditions shall have been satisfied (or waived):

(a) the Administrative Agent (or its counsel) shall have received (x) from the Borrower, Holdings, each Guarantor, the Administrative Agent, the Issuing Bank, the Swing Line Lender, each Extending Revolving Lender and each New Refinancing Term Loan Lender counterparts of this Eighth Amendment signed on behalf of such parties and (y) from each Converting Lender, a Refinancing Lender Consent substantially in the form of Annex I hereto (the "**Refinancing Lender Consent**") (in each case, including by way of facsimile or other electronic transmission);

(b) substantially simultaneously with the establishment of the Extending Revolving Commitments, the conversion of the Existing Extended Revolving Loans into of the Extending Revolving Loans and the making of the 2021 Refinancing Term Loans, the Borrower shall have paid, by wire transfer of immediately available funds (x) all reasonable and documented in reasonable detail costs, fees, out-of-pocket expenses (including the reasonable and documented in reasonable detail fees, disbursements and other charges of Davis Polk & Wardwell LLP in connection with this Eighth Amendment), and in the case of the costs and out-of-pocket expenses, to the extent invoiced at least one Business Day prior to the Eighth Amendment Effective Date (y) compensation and other amounts then due and payable pursuant to the Engagement Letter, dated as of January 22, 2021, by and between the Borrower and Deutsche Bank Securities Inc. ("**DBSI**"), and the Fee Letters referred to in the Engagement Letter and (z) to each Extending Revolving Lender, a consent fee equal to 0.25% of such Extending Revolving Lender's Extending Revolving Commitment established pursuant to this Eighth Amendment;

(c) on the Eighth Amendment Effective Date and after giving effect to this Eighth Amendment, the establishment of the Extending Revolving Commitments, the conversion of the Existing Extended Revolving Loans into the Extending Revolving Loans and the making of the 2021 Refinancing Term Loans, (i) no Default or Event of Default shall have occurred and be continuing and (ii) all of the representations and warranties of each Loan Party contained in this Eighth Amendment, the Credit Agreement and the other Loan Documents shall be true and correct in all material respects before and after the effectiveness of this Eighth Amendment, the establishment of the Extending Revolving Commitments, the conversion of the Existing Extended Revolving Loans into the Extending Revolving Loans and the making of the 2021 Refinancing Term Loans or the respective application of the proceeds thereof; provided that, to the extent that such representations and warranties specifically refer to an earlier date, they shall be true and correct in all material respects as of such earlier date; provided, further, that any representation and warranty that is qualified as to "materiality," "Material Adverse Effect" or similar language shall be true and correct (after giving effect to any qualification therein) in all respects on and as of the Eighth Amendment Effective Date or such earlier date;

(d) the Administrative Agent shall have received a certificate executed by a Responsible Officer of the Borrower certifying compliance with the requirements of the preceding clause (c);

(e) the Administrative Agent shall have received no fewer than three Business Days prior to the Eighth Amendment Effective Date (x) a Committed Loan Notice, duly executed by the Borrower, for the Borrowing of the 2021 Refinancing Term Loans pursuant to this Eighth Amendment and (y) a prepayment notice pursuant to Section 2.05(1)(a) of the Credit Agreement;

(f) there shall have been delivered to the Administrative Agent (A) certificates of good standing from the secretary of state of the state of organization of each Loan Party (to the extent such concept exists in such jurisdiction), customary certificates of resolutions or other action, and incumbency certificates, (B) a certificate of a Responsible Officer of the Borrower (which may be contained in the same certificate as the certificate delivered pursuant to the preceding clause (e)), certifying that since the Amendment No. 7 Effective Date, except as attached to such certificate, there have been no changes to the Organizational Documents of the Loan Parties and/or attaching copies of any such Organizational Documents that have changed since the Amendment No. 7 Effective Date and (C) a solvency certificate from a Responsible Officer of the Borrower (after giving effect to the establishment of the Extending Revolving Commitments, the borrowing of the Extending Revolving Loans and the 2021 Refinancing Term Loans) substantially in the form attached to the Credit Agreement as Exhibit I;

(g) the Administrative Agent shall have received an opinion from (i) Latham & Watkins LLP, special New York counsel to the Loan Parties and (ii) Faegre Drinker Biddle & Reath LLP, special Minnesota counsel to the Loan Parties, in each case in form and substance reasonably satisfactory to the Administrative Agent and addressed to the Administrative Agent, the Extending Revolving Lenders and the New Refinancing Term Loan Lenders;

(h) the Borrower shall have issued senior secured notes yielding net proceeds in an amount at least sufficient, when combined with the net proceeds of the 2021 Refinancing Term Loans and cash on hand of the Borrower and its Restricted Subsidiaries to make the payments set forth in the succeeding clause (j);

(i) the Administrative Agent shall have received a fully executed copy of the Amendment No. 8 Intercreditor Agreement; and

(j) the Administrative Agent shall receive, simultaneously with such funding, funds sufficient to (i) refinance in full the principal amount of all Existing Term Loans (other than Converting Term Loans), (ii) refinance in full the principal amount of all outstanding Revolving Loans, and (iii) pay, in connection therewith, all accrued and unpaid interest on all Existing Term Loans and outstanding Revolving Loans.

SECTION 3. Representations and Warranties. To induce the Administrative Agent, the Issuing Bank, the Swing Line Lender, the Extending Revolving Lenders and the New Refinancing Term Loan Lenders party hereto to enter into this Eighth Amendment and each Refinancing Lender Consent, each of the Borrower and Holdings represents and warrants to the Administrative Agent, the Issuing Bank, the Swing Line Lender, the Extending Revolving Lenders and the New Refinancing Term Loan Lenders party hereto on and as of the Eighth Amendment Effective Date:

(a) all of the representations and warranties of each Loan Party contained in the Credit Agreement and the other Loan Documents are true and correct in all material respects on and as of the Eighth Amendment Effective Date; provided that, to the extent that such representations and warranties specifically refer to an earlier date, they shall be true and correct in all material respects as of such earlier date; provided further that any representation and warranty that is qualified as to "materiality," "Material Adverse Effect" or similar language shall be true and correct (after giving effect to any qualification therein) in all respects on and as of the Eighth Amendment Effective Date or such earlier date; and

(b) no Default or Event of Default exists as of the Eighth Amendment Effective Date, or would result from the establishment of the Extending Revolving Commitments, the conversion of the Existing Extended Revolving Loans into the Extending Revolving Loans, making of the 2021 Refinancing Term Loans or the respective application of the proceeds therefrom.

SECTION 4. Reaffirmation of Guaranty. Each Guarantor reaffirms its guarantee of the Guaranteed Obligations (as defined in the Guaranty) under the terms and conditions of the Guaranty and agrees that such guarantee remains in full force and effect and is hereby ratified, reaffirmed and confirmed. Each Guarantor hereby confirms that it consents to the terms of this Eighth Amendment, including, without limitation, the extension in whole or in part of the Existing Revolving Loans under the Credit Agreement in the form of Extending Revolving Loans and the refinancing in full of the Existing Term Loans under the Credit Agreement in the form of 2021 Refinancing Term Loans and each of which constitute "Guaranteed Obligations" of such Guarantor under the Guaranty as amended by this Eighth Amendment. Each Guarantor hereby (i) confirms that each Loan Document to which it is a party or is otherwise bound will continue to guarantee, to the fullest extent possible in accordance with the Loan Documents, the payment and performance of the Guaranteed Obligations, including without limitation the payment and performance of all such applicable Guaranteed Obligations that are joint and several obligations of each Guarantor now or hereafter existing; (ii) acknowledges and agrees that its Guaranty and each of the Loan Documents to which it is a party or otherwise bound shall continue in full force and effect and that all of its obligations thereunder shall be valid and enforceable and shall not be impaired or limited by the execution or effectiveness of the Eighth Amendment; and (iii) acknowledges, agrees and warrants for the benefit of the Administrative Agent and each Secured Party that there are no rights of set-off or counterclaim, nor any defenses of any kind, whether legal, equitable or otherwise, that would enable such Guarantor to avoid or delay timely performance of its obligations under the Loan Documents (except to the extent such obligations constitute Excluded Swap Obligations (as defined in the Guaranty) with respect to such Guarantor).

SECTION 5. Reaffirmation of Security Agreement.

(a) Each Loan Party hereby acknowledges that it has reviewed and consents to the terms and conditions of this Eighth Amendment and the transactions contemplated hereby, including, without limitation, the extension in whole or in part of the Existing Revolving Loans under the Credit Agreement in the form of Extending Revolving Loans and the refinancing in full of the Existing Term Loans under the Credit Agreement in the form of 2021 Refinancing Term Loans. In addition, each Loan Party reaffirms the security interests granted by such Loan Party under the terms and conditions of the Security Agreement to secure the Obligations and agrees that such security interests remain in full force and effect and are hereby ratified, reaffirmed and confirmed. Each Loan Party hereby confirms that the security interests granted by such Loan Party under the terms and conditions of the Security Agreement secure each of the Extending Revolving Loans and the 2021 Refinancing Term Loans as part of the Obligations. Each Loan Party hereby (i) confirms that each Loan Document to which it is a party or is otherwise bound and all Collateral (as defined in the Security Agreement) encumbered thereby will continue to guarantee or secure, as the case may be, to the fullest extent possible in accordance with the Loan Documents, the payment and performance of the Obligations, as the case may be, including, without limitation, the payment and performance of all such applicable Obligations that are joint and several obligations of each Loan Party now or hereafter existing, (ii) confirms its respective grant to the Collateral Agent for the benefit of the Secured Parties of the security interest in and continuing Lien on all of such Loan Party's right, title and interest in, to and under all Collateral (as defined in the Security Agreement), whether now owned or existing or hereafter acquired or arising and wherever located, as collateral security for the prompt and complete payment and performance in full when due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise, of all applicable Obligations (including all such Obligations as amended, reaffirmed and/or increased pursuant to this Eighth Amendment), subject to the terms contained in the applicable Loan Documents, and (iii) confirms its respective guarantees, pledges, grants of security interests and other obligations, as applicable, under and subject to the terms of each of the Loan Documents to which it is a party.

(b) Each Loan Party acknowledges and agrees that each of the Loan Documents to which it is a party or otherwise bound shall continue in full force and effect and that all of its obligations thereunder shall be valid and enforceable and shall not be impaired or limited by the execution or effectiveness of this Eighth Amendment.

SECTION 6. Reference to and Effect on the Credit Agreement and the Loan Documents.

(a) This Eighth Amendment shall constitute both an Extension Amendment and a Loan Document under the Credit Agreement.

(b) On and after the Eighth Amendment Effective Date, (i) each reference in the Credit Agreement to "this Agreement," "hereunder," "hereof" or words of like import referring to the Credit Agreement shall mean and be a reference to the Credit Agreement, as amended by this Eighth Amendment, (ii) each Extending Revolving Lender and each New Refinancing Term Loan Lender shall constitute a "Lender" under (and as defined in) the Credit Agreement after giving effect to this Eighth Amendment, (iii) the Extending Revolving Commitments shall constitute "Extended Revolving Commitments", "Commitments", "Revolving Commitments" and "2021 Initial Revolving Commitments" under (and as defined in) the Credit Agreement, (iv) the Extending Revolving Loans shall constitute "Loans", "Revolving Loans", "Extended Revolving Loans" and "2021 Initial Revolving Loans" under (and as defined in) the Credit Agreement after giving effect to this Eighth Amendment, (v) the New Refinancing Term Loan Commitments shall constitute "Refinancing Commitments" and "Commitments" under (and as defined in) the Credit Agreement after giving effect to this Eighth Amendment, (vi) the 2021 Refinancing Term Loans shall constitute "Closing Date Term Loans" under (and as defined in) the Credit Agreement after giving effect to this Eighth Amendment and (vii) the Eighth Amendment Effective Date shall constitute the "Amendment No. 8 Effective Date" under (and as defined in) the Credit Agreement.

(c) The Credit Agreement and each of the other Loan Documents, as specifically amended by this Eighth Amendment, are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed. Without limiting the generality of the foregoing, the Collateral Documents and all of the Collateral described therein do and shall continue to secure the payment of all Obligations of the Loan Parties under the Loan Documents, in each case, as amended by this Eighth Amendment.

(d) The execution, delivery and effectiveness of this Eighth Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any Lender or the Administrative Agent under any of the Loan Documents, nor constitute a waiver of any provision of any of the Loan Documents.

(e) Notwithstanding anything in the Credit Agreement to the contrary, the 2021 Refinancing Term Loans shall be funded as Eurodollar Rate Loans with an initial Interest Period ending on February 26, 2021.

(f) Each Converting Lender that executes and delivers a Refinancing Lender Consent electing the "Consent and Cashless Roll Option" shall be deemed to agree, upon the effectiveness of this Eighth Amendment on the Eighth Amendment Effective Date that (i) all (or such lesser amount as the Administrative Agent may allocate to such Lender) of its Existing Term Loans shall constitute 2021 Refinancing Term Loans under the Credit Agreement (each such 2021 Refinancing Term Loan, to such extent, a "**Cashless Converting Loan**") and (ii) it waives any right to receive its share of the prepayment of Existing Term Loans referred to in Section 2(j), solely to the extent of such Cashless Converting Loans.

(g) Each existing Term Lender that executes and delivers a Refinancing Lender Consent electing the "Consent and Assignment Option" shall be repaid in full (or such lesser amount as the Administrative Agent may allocate to such Term Lender) on the Eighth Amendment Effective Date, including for all accrued and unpaid interest, fees, expenses and other compensation owed to such Term Lender and due and payable by the Borrower pursuant to the Credit Agreement and this Eighth Amendment. Each such Term Lender agrees that it shall be deemed to have executed an Assignment and Assumption pursuant to Section 10.07 of the Credit Agreement on the Eighth Amendment Effective Date and to have purchased a principal amount of 2021 Refinancing Term Loans in an amount equal to the principal amount of such repayment (or such lesser amount as the Administrative Agent may allocate to such Term Lender).

(h) This Eighth Amendment may not be amended, modified or waived except pursuant to a writing signed by each of the parties hereto.

SECTION 7. Post-Closing Covenant. As promptly as practicable, and in any event no later than ninety (90) days after the Eighth Amendment Effective Date or such later date as the Administrative Agent reasonably agrees to in writing, including to reasonably accommodate circumstances relating to the current COVID-19 pandemic and other circumstances unforeseen on the Eighth Amendment Effective Date, provide to the Collateral Agent the documents or evidence required as set forth in Schedule C with respect to each of the Mortgaged Properties listed in Schedule 1.01(2) to the Credit Agreement, except to the extent otherwise agreed by the Administrative Agent pursuant to its authority as set forth in the definition of the term "Collateral and Guarantee Requirement".

SECTION 8. Governing Law. THIS EIGHTH AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

SECTION 9. Counterparts. This Eighth Amendment may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Eighth Amendment by telecopy or other electronic imaging (including in .pdf format) means shall be effective as delivery of a manually executed counterpart of this Eighth Amendment.

SECTION 10. Electronic Execution. The words "execution," "signed," "signature," and words of like import in this Eighth Amendment or in any amendment or other modification hereof (including waivers and consents) shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

SECTION 11. Assignment of Revolving Commitments. The parties hereto acknowledge that pursuant to terms and conditions and for good and valuable consideration, in each case, separately agreed among the relevant parties, certain Revolving Lenders have agreed to assign and assume Revolving Commitments such that after giving effect to such assignments and assumptions (the "**Eighth Amendment Effective Date Assignments**"), the Revolving Commitment of each Revolving Lender shall be equal to the amount set forth opposite the name of such Revolving Lender under the applicable column on Schedule 2.01 to the Credit Agreement (after giving effect to this Amendment). Notwithstanding the terms of Section 10.07 of the Credit Agreement, the parties hereto hereby agree that, immediately upon the effectiveness of

this Amendment on the Eighth Amendment Effective Date, each of the Eighth Amendment Effective Date Assignments shall be effective and the Revolving Commitment of each Revolving Lender shall be equal to the amount set forth opposite the name of such Revolving Lender under the applicable column on Schedule 2.01 to the Credit Agreement without any further action by any party. The Borrower, the Administrative Agent and the Issuing Bank hereby consent to each Eighth Amendment Effective Date Assignment and the Administrative Agent is hereby instructed to record such assignments in the Register.

[*The remainder of this page is intentionally left blank.*]

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized officers to execute and deliver this Eighth Amendment as of the date first above written.

LIFE TIME, INC., as Borrower

By: /s/ Thomas Bergmann
Name: Thomas Bergmann
Title: President and Chief Financial Officer

LTF INTERMEDIATE HOLDINGS, INC., as Holdings and Guarantor

By: /s/ Thomas Bergmann
Name: Thomas Bergmann
Title: Chief Financial Officer

LTF CLUB OPERATIONS COMPANY, INC., as Guarantor,
LTF OPERATIONS HOLDINGS, INC., as Guarantor,
LTF MANAGEMENT SERVICES, LLC, as Guarantor,
LTF CONSTRUCTION COMPANY, LLC, as Guarantor,
LTF RESTAURANT COMPANY, LLC, as Guarantor,
LTF CLUB MANAGEMENT COMPANY, LLC, as Guarantor,
LTF TRIATHLON SERIES, LLC, as Guarantor,
ATHLINKS INC., as Guarantor,
LTF ARCHITECTURE, LLC, as Guarantor,
LTF LEASE COMPANY, LLC, as Guarantor,
LTF REAL ESTATE HOLDINGS, LLC, as Guarantor,
LTF REAL ESTATE COMPANY, INC., as Guarantor,
LTF EDUCATIONAL PROGRAMS, LLC, as Guarantor,
LTF GROUND LEASE COMPANY, LLC, as Guarantor,

By: /s/ Erik Lindseth
Name: Erik Lindseth
Title: Senior Vice President, General Counsel and Secretary

[Signature page to Eighth Amendment to Credit Agreement]

DEUTSCHE BANK AG NEW YORK BRANCH, as Administrative Agent, Extending Revolving Lender and New Refinancing Term Loan Lender

By: /s/ Philip Tancorra

Name: Philip Tancorra
Title: Vice President
philip.tancorra@db.com
212-250-6576

By: /s/ Yumi Okabe

Name: Yumi Okabe
Title: Vice President
Email: yumi.okabe@db.com
Tel: (212) 250-2966

GOLDMAN SACHS BANK USA,
as Extending Revolving Lender

By: /s/ Thomas Manning
Name: Thomas Manning
Title: Authorized Signatory

[Signature Page to Eighth Amendment to Credit Agreement]

JEFFERIES FINANCE LLC,
as Extending Revolving Lender

By: /s/ J.R. Young
Name: J.R. Young
Title: Managing Director

[Signature Page to Eighth Amendment to Credit Agreement]

BANK OF AMERICA, N.A.,
as Extending Revolving Lender

By: /s/ David H. Strickert
Name: David H. Strickert
Title: Managing Director

[Signature Page to Eighth Amendment to Credit Agreement]

JPMORGAN CHASE BANK, N.A.,
as Extending Revolving Lender

By: /s/ Richard Barritt
Name: Richard Barritt
Title: Executive Director

[Signature Page to Eighth Amendment to Credit Agreement]

MORGAN STANLEY SENIOR FUNDING, INC., as
Extending Revolving Lender

By: /s/ Michael King
Name: Michael King
Title: Vice President

[Signature Page to Eighth Amendment to Credit Agreement]

U.S. BANK NATIONAL ASSOCIATION,
as Extending Revolving Lender, Swing Line Lender and Issuing Bank

By: /s/ Geoffrey Billingsley
Name: Geoffrey Billingsley
Title: Vice President

[Signature Page to Eighth Amendment to Credit Agreement]

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Extending Revolving Lender

By: /s/ Emma Clifford
Name: Emma Clifford
Title: Relationship Manager & Director

[Signature Page to Eighth Amendment to Credit Agreement]

MIZUHO BANK, LTD.,
as Extending Revolving Lender

By: /s/ Tracy Rahn
Name: Tracy Rahn
Title: Authorized Signatory

[Signature Page to Eighth Amendment to Credit Agreement]

BANK OF MONTREAL,
as Extending Revolving Lender

By: /s/ Lindsay Goetz
Name: Lindsay Goetz
Title: Managing Director

[Signature Page to Eighth Amendment to Credit Agreement]

ROYAL BANK OF CANADA,
as Extending Revolving Lender

By: /s/ Julia Ivanova
Name: Julia Ivanova
Title: Authorized Signatory

[Signature Page to Eighth Amendment to Credit Agreement]

MIHI LLC,
as Extending Revolving Lender

By: /s/ Lisa Grushkin
Name: Lisa Grushkin
Title: Authorized Signatory

By: /s/ Ayesha Farooqi
Name: Ayesha Farooqi
Title: Authorized Signatory

[Signature Page to Eighth Amendment to Credit Agreement]

NOMURA CORPORATE FUNDING AMERICAS, LLC,
as Extending Revolving Lender

By: /s/ Garrett P. Carpenter
Name: Garrett P. Carpenter
Title: Managing Director

[Signature Page to Eighth Amendment to Credit Agreement]

KKR REVOLVING CREDIT PARTNERS, L.P., as an Other Consenting Lender

By: /s/ Jeffrey M. Smith
Name: Jeffrey M. Smith
Title: Authorized Signatory

SCHEDULE B

NEW REFINANCING TERM LOAN COMMITMENT SCHEDULE
(represents Term Loans of Lenders who are not Converting Lenders)

New Refinancing Term Loan Lender	New Refinancing Term Loan Commitment
DEUTSCHE BANK AG NEW YORK BRANCH	$ 507,577,440.03
Total	**$ 507,577,440.03**

SCHEDULE C

POST-CLOSING MATERIAL REAL PROPERTY REQUIREMENTS

a) a Mortgage or an amendment to an existing Mortgage in form and substance reasonably satisfactory to the Collateral Agent that, among other things, ratifies and confirms the lien of the existing Mortgage (a "**Mortgage Amendment**");

b) evidence that counterparts of such Mortgage or Mortgage Amendment with respect to such Material Real Property has been duly executed, acknowledged and delivered and is in a form suitable for filing or recording in all filing or recording offices that the Collateral Agent may deem reasonably necessary or desirable in order to create and or confirm (as applicable), except to the extent otherwise provided hereunder, including subject to Liens permitted by Section 7.01 of the Credit Agreement, a valid and subsisting perfected Lien on such Material Real Property in favor of the Collateral Agent for the benefit of the Secured Parties and that all filing and recording taxes and fees have been paid or otherwise provided for in a manner reasonably satisfactory to the Collateral Agent;

c) (i) if applicable, a date down endorsement to an existing Mortgage Policy or (ii) a Mortgage Policy in form and substance, with endorsements available in the applicable jurisdiction and in amounts, reasonably acceptable to the Collateral Agent (not to exceed the fair market value of the Material Real Property covered thereby), in each case issued, coinsured and reinsured by title insurers reasonably acceptable to the Collateral Agent, insuring the Mortgages to be valid subsisting Liens on the property described therein, subject only to Liens permitted by Section 7.01 of the Credit Agreement or such other Liens reasonably satisfactory to the Collateral Agent that do not have an adverse impact on the use or value of the Mortgaged Properties, and providing for such other affirmative insurance (including endorsements for future advances under the Loan Documents) and such coinsurance and direct access reinsurance as the Collateral Agent may reasonably request and is available in the applicable jurisdiction; *provided* that to the extent that any Material Real Property listed on Schedule 1.01(2) to the Credit Agreement is located in Texas and has an existing Mortgage Policy for the Mortgage that will be modified pursuant to a Mortgage Amendment, no new Mortgage Policy or date down endorsement to an existing Mortgage Policy shall be required with respect to such Material Real Property, however, the Borrower will, or will cause the applicable Loan Party to, provide the Collateral Agent a current title report with respect to such Material Real Property;

d) a customary Opinion of Counsel for the applicable Loan Parties in states in which such Material Real Property is located, with respect to the enforceability of the Mortgage or the Mortgage Amendment, as applicable, the authorization, execution and delivery of such Mortgage or Mortgage Amendment and such other matters as the Collateral Agent may reasonably request, in form and substance reasonably satisfactory to the Collateral Agent; and

e) with respect to delivery of a Mortgage, an American Land Title/American Congress on Surveying and Mapping survey for such Material Real Property or existing survey together with a no change affidavit, in each case certified to the Collateral Agent if deemed necessary by Collateral Agent in its reasonable discretion, sufficient for the title insurance company issuing a Mortgage Policy or endorsement to an existing Mortgage Policy to remove the standard survey exception and issue standard survey related endorsements and otherwise reasonably satisfactory to the Collateral Agent (if reasonably requested by the Collateral Agent).

Notwithstanding anything in the Eighth Amendment or Section 6.13 or Section 6.11 of the Credit Agreement to the contrary, the Loan Parties may satisfy the Collateral and Guarantee Requirement

with respect to any Material Real Property (including in connection with delivery of a Mortgage Amendment as set forth above) by causing such documents to be delivered to a single agent or trustee designated by the Collateral Agent and the collateral agent for any other holders of first lien obligations to hold Mortgages and Mortgage Policies for the benefit of the holders of all first priority lien obligations.

ANNEX II

AMENDMENTS TO CREDIT AGREEMENT

[Changed pages to Conformed Credit Agreement follow]

Final Version

(conformed to (i) Technical Amendment No. 1,
dated as of July 21, 2015, (ii) Technical Amendment No. 2,
dated as of September 14, 2015, (iii) Third Amendment
to the Credit Agreement, dated as of June 9, 2016, (iv) Fourth Amendment
to the Credit Agreement, dated as of January 27, 2017, (v) Fifth Amendment
to the Credit Agreement, dated as of November 15, 2017, (vi) Sixth Amendment
to the Credit Agreement, dated as of November 29, 2017and, (vii) Seventh Amendment
to the Credit Agreement, dated as of March 22, 2018and (viii) Eighth Amendment
to the Credit Agreement, dated as of January 22, 2021)

Published CUSIP Numbers:
DEAL CUSIP: 50218KAA6
REVOLVER (2017) CUSIP: 50218KAC2
REVOLVER (2021) CUSIP: 50218KAF5
TERM FACILITY CUSIP: 50218KAB4KAG3

CREDIT AGREEMENT

Dated as of June 10, 2015

among

LTF INTERMEDIATE HOLDINGS, INC.,
as Holdings,

LTF MERGER SUB, INC.,
as Initial Borrower,

U.S. BANK NATIONAL ASSOCIATION
as Issuing Bank and Swing Line Lender,

DEUTSCHE BANK AG NEW YORK BRANCH,
as Administrative Agent and Collateral Agent,

and

THE OTHER LENDERS PARTY HERETO

DEUTSCHE BANK SECURITIES INC.,
GOLDMAN SACHS BANK USA,
JEFFERIES FINANCE LLC,
MIZUHO BANK, LTD.
BMO CAPITAL MARKETS CORP.,
RBC CAPITAL MARKETS, LLC,
U.S. BANK NATIONAL ASSOCIATION,
MACQUARIE CAPITAL (USA) INC.
and

NOMURA SECURITIES INTERNATIONAL, INC.,
as Joint Lead Arrangers and Joint Lead Bookrunners

Table of Contents

SCHEDULES

EXHIBITS

Form of

(2) purchase participations in L/C Obligations in respect of Letters of Credit and purchase participations in Swing Line Loans.

"**2017 Initial Revolving Facility**" means the Revolving Facility made available by the 2017 Initial Revolving Lenders as of the Amendment No. 6 Effective Date and not extended pursuant to Amendment No. 8.

"**2017 Initial Revolving Lender**" means, at any time, any Lender that has a 2017 Initial Revolving Commitment at such time.

"**2017 Initial Revolving Loans**" means the Loans made available under the 2017 Initial Revolving Facility.

"2021 Initial Revolving Commitment" means, as to each 2021 Initial Revolving Lender, its obligation to (1) make Revolving Loans under the 2021 Initial Revolving Facility to the Borrower pursuant to Section 2.01(2) and (2) purchase participations in L/C Obligations in respect of Letters of Credit and purchase participations in Swing Line Loans, in each case, in the amount set forth opposite such 2021 Initial Revolving Lender's name on Schedule A to Amendment No. 8.

"2021 Initial Revolving Facility" means the Revolving Facility made available by the 2021 Initial Revolving Lenders as of the Amendment No. 8 Effective Date.

"2021 Initial Revolving Lender" means, at any time, any Lender that has a 2021 Initial Revolving Commitment at such time.

"2021 Initial Revolving Loans" means the Loans made available under the 2021 Initial Revolving Facility.

"~~2017~~**2021 Refinancing Term Lender**" means, at any time, each Lender with a ~~2017~~2021 Refinancing Term Loan Commitment or, after the ~~2017~~2021 Refinancing Term Loans are made or issued, holding a ~~2017~~2021 Refinancing Term Loan at such time.

"~~2017~~**2021 Refinancing Term Loan**" means the "~~2017~~2021 Refinancing Term Loans" as defined in, and made and/or converted in accordance with Amendment No. ~~4~~8.

"~~2017~~**2021 Refinancing Term Loan Commitment**" means, for any ~~2017~~2021 Refinancing Term Lender, the amount set forth opposite such ~~2017~~2021 Refinancing Term Lender's name on Schedule A to Amendment No. ~~4~~8. The initial aggregate amount of the ~~2017~~2021 Refinancing Term Loan Commitments is $~~1,330,494,332.49~~850,000,000 .

"**Acceptable Discount**" has the meaning specified in Section 2.05(1)(e)(D)(2).

"**Acceptable Prepayment Amount**" has the meaning specified in Section 2.05(1)(e)(D)(3).

"**Acceptance and Prepayment Notice**" means a notice of the Borrower's acceptance of the Acceptable Discount in substantially the form of Exhibit M.

"**Acceptance Date**" has the meaning specified in Section 2.05(1)(e)(D)(2).

"**Acquired Company**" has the meaning specified in the preliminary statements of this Agreement.

"**Acquired Indebtedness**" means, with respect to any specified Person,

(1) Indebtedness of any other Person existing at the time such other Person is merged, consolidated or amalgamated with or into or became a Restricted Subsidiary of such specified Person, including Indebtedness incurred in connection with, or in contemplation of, such other Person merging,

"**Agreement Currency**" has the meaning specified in Section 10.26.

"**AHYDO Payment**" means any mandatory prepayment or redemption pursuant to the terms of any Indebtedness that is intended or designed to cause such Indebtedness not to be treated as an "applicable high yield discount obligation" within the meaning of Code Section 163(i).

"**All-In Yield**" means, as to any Indebtedness, the yield thereof, whether in the form of interest rate, margin, OID, upfront fees, a Eurodollar Rate floor or Base Rate floor (with such increased amount being determined in the manner described in the final proviso of this definition), or otherwise, in each case, incurred or payable by the Borrower generally to all lenders of such Indebtedness; *provided* that OID and upfront fees shall be equated to an interest rate assuming a 4-year life to maturity (or, if less, the stated life to maturity at the time of incurrence of the applicable Indebtedness); *provided further* that "All-In Yield" shall not include arrangement fees, structuring fees, commitment fees, underwriting fees, ticking fees or other fees similar to the foregoing (regardless of how such fees are computed and whether paid in whole or in part to any or all lenders) or other fees not generally paid to all lenders of such Indebtedness or, if applicable, consent fees for an amendment paid generally to consenting lenders; *provided further* that with respect to any Loans of an applicable Class that includes a Eurodollar Rate floor or Base Rate floor (1) to the extent that the Reference Rate on the date that the All-In Yield is being calculated is less than such floor, the amount of such floor shall be deemed added to the Applicable Rate for such Loans of such Class for the purpose of calculating the All-In Yield and (2) to the extent that the Reference Rate on the date that the All-In Yield is being calculated is greater than such floor, then the floor shall be disregarded in calculating the All-In Yield. As of the Closing Date, the All-In Yield with respect to the Closing Date Term Loans was 437.5 basis points.

"**Alternative Currency**" means Canadian Dollars.

"**Amendment No. 4**" means the Refinancing Amendment to this Agreement dated as of January 27, 2017 among the Borrower, the Subsidiary Guarantors party thereto, the 2017 Refinancing Term Lenders party thereto and the Administrative Agent.

"**Amendment No. 4 Effective Date**" means January 27, 2017.

"**Amendment No. 5**" means the Refinancing Amendment to this Agreement dated as of November 15, 2017 among the Borrower, the Subsidiary Guarantors party thereto, the New 2017 Refinancing Term Lenders party thereto and the Administrative Agent.

"**Amendment No. 5 Effective Date**" means November 15, 2017.

"**Amendment No. 6**" means the Refinancing Amendment to this Agreement dated as of November 29, 2017 among the Borrower, the Subsidiary Guarantors party thereto, the Issuing Bank, the Swing Line Lender, the 2017 Refinancing Revolving Lenders party thereto and the Administrative Agent.

"**Amendment No. 6 Effective Date**" means November 29, 2017.

" **Amendment No. 8**" means the Refinancing Amendment to this Agreement dated as of January 22, 2021 among the Borrower, the Subsidiary Guarantors party thereto, the Issuing Bank, the Swing Line Lender, the 2021 Refinancing Revolving Lenders party thereto, the 2021 Refinancing Term Lenders party thereto and the Administrative Agent.

" **Amendment No. 8 Effective Date**" means January 22, 2021.

" **Amendment No. 8 Intercreditor Agreement**" means that certain Equal Priority Intercreditor Agreement, dated as of Amendment No. 8 Effective Date, by and among the Collateral Agent, each Debt Representative under the Secured Notes Indenture, and each additional representative from time to time party thereto, as acknowledged by the Loan Parties, as amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof.

"**Annual Financial Statements**" means the audited consolidated balance sheets of the Acquired Company as of the fiscal years ended December 31, 2014, December 31, 2013 and December 31, 2012, and the related consolidated statements of operations, changes in stockholders' equity and cash flows for the Acquired Company for the fiscal years then ended.

"**Applicable Discount**" has the meaning specified in Section 2.05(1)(e)(C)(2).

"**Applicable Rate**" means a percentage per annum equal to:

(a) with respect to ~~New 2017~~2021 Refinancing Term Loans, (i) ~~2.75~~4.75% for Eurodollar Rate Loans and (ii) ~~1.75~~3.75% for Base Rate Loans.

(b) with respect to Revolving Loans and unused Revolving Commitments under the ~~Original~~2021 Initial Revolving Facility and Letter of Credit fees for ~~Original~~2021 Initial Revolving Lenders (i) ~~until delivery of financial statements for the first full fiscal quarter ending after the Closing Date pursuant to Section 6.01, (A) 3.25% for~~4.25% for Eurodollar Rate Loans, CDOR Loans and Letter of Credit fees, (~~B) 2.25~~ii) 3.25% for Base Rate Loans and (~~C) 0.500~~iii) 0.50% Commitment Fee Rate for unused Revolving Commitments ~~and (ii) thereafter, the following percentages per annum, based upon the First Lien Net Leverage Ratio as specified in the most recent Compliance Certificate received by the Administrative Agent pursuant to Section 6.02(1):~~.

~~Pricing Level~~	~~First Lien Net Leverage Ratio~~	~~Eurodollar Rate, CDOR Rate and Letter of Credit Fees~~	~~Base Rate~~	~~Commitment Fee Rate~~
~~1~~	~~> 3.50 to 1.00~~	~~3.25%~~	~~2.25%~~	~~0.500%~~
~~2~~	~~£ 3.50 to 1.00~~	~~3.00%~~	~~2.00%~~	~~0.375%~~

(c) with respect to Revolving Loans and unused Revolving Commitments under the 2017 Initial Revolving Facility and Letter of Credit fees for 2017 Initial Revolving Lenders (i) until delivery of financial statements for the first full fiscal quarter ending after the Amendment No. 6 Effective Date pursuant to Section 6.01, (A) 2.75% for Eurodollar Rate Loans, CDOR Loans and Letter of Credit fees, (B) 1.75% for Base Rate Loans and (C) 0.375% Commitment Fee Rate for unused Revolving Commitments and (ii) thereafter, the following percentages per annum, based upon the First Lien Net Leverage Ratio as specified in the most recent Compliance Certificate received by the Administrative Agent pursuant to Section 6.02(1):

Pricing Level	First Lien Net Leverage Ratio	Eurodollar Rate, CDOR Rate and Letter of Credit Fees	Base Rate	Commitment Fee Rate
1	> 3.50 to 1.00	3.00%	2.00%	0.500%
2	£ 3.50 to 1.00	2.75%	1.75%	0.375%

Any increase or decrease in the Applicable Rate resulting from a change in the First Lien Net Leverage Ratio shall become effective as of the first Business Day immediately following the date a Compliance Certificate is delivered pursuant to Section 6.02(1); *provided* that "Pricing Level 1" (as set forth above) shall apply as of (x) the first Business Day after the date on which a Compliance Certificate was required to have been delivered but was not delivered, and shall continue to so apply to and including the date on which such Compliance Certificate is so delivered (and thereafter the pricing level otherwise determined in accordance with this definition shall apply) and (y) at the option of the Administrative Agent or the Required Revolving Lenders under the Closing Date Revolving Facility, the first Business Day after an Event of Default under Section 8.01(1) shall have occurred and be continuing, and shall continue to so apply to but excluding the date on which such Event of Default is cured or waived (and thereafter the pricing level otherwise determined in accordance with this definition shall apply). Notwithstanding anything to the contrary set forth herein, the provisions of this clause (b) may be amended or waived with the consent of only the Borrower and the Required Revolving Lenders.

(d) with respect to any Term Loans (other than Closing Date Term Loans), as specified in the applicable Incremental Amendment, Extension Amendment or Refinancing Amendment.

"**Appropriate Lender**" means, at any time, (a) with respect to Loans of any Class, the Lenders of such Class and (b) with respect to Letters of Credit, (i) the relevant Issuing Banks and (ii) the relevant Revolving Lenders.

"**Approved Fund**" means, with respect to any Lender, any Fund that is administered, advised or managed by (a) such Lender, (b) an Affiliate of such Lender or (c) an entity or an Affiliate of an entity that administers, advises or manages such Lender.

"**Arrangers**" means DBSI, Goldman Sachs, Jefferies, Mizuho, BMOC, RBCCM, US Bank, Macquarie Capital and Nomura, each in its capacity as a joint lead arranger under this Agreement.

"**Asset Sale**" means:

(1) the sale, conveyance, transfer or other disposition, whether in a single transaction or a series of related transactions of property or assets of the Borrower or any Restricted Subsidiary (each referred to in this definition as a "**disposition**"); or

(2) the issuance or sale of Equity Interests (other than Preferred Stock or Disqualified Stock of Restricted Subsidiaries issued in compliance with Section 7.02 and directors' qualifying shares or shares or interests required to be held by foreign nationals or other third parties to the extent required by applicable law) of any Restricted Subsidiary (other than to the Borrower or another Restricted Subsidiary), whether in a single transaction or a series of related transactions;

in each case, other than:

(a) any disposition of:

(i) Cash Equivalents or Investment Grade Securities,

(ii) obsolete, damaged or worn out property or assets in the ordinary course of business or consistent with industry practice or any disposition of inventory, assets or goods (or other assets) held for sale or no longer used or useful in the ordinary course,

(iii) assets no longer economically practicable or commercially reasonable to maintain (as determined in good faith by the management of the Borrower),

(iv) improvements made to leased real property to landlords pursuant to customary terms of leases entered into in the ordinary course of business and

(v) assets for purposes of charitable contributions or similar gifts to the extent such assets are not material to the ability of the Borrower and its Restricted Subsidiaries, taken as a whole, to conduct its business in the ordinary course;

(b) the disposition of all or substantially all of the assets of the Borrower in a manner permitted pursuant to Section 7.03;

(q) the lapse or abandonment of intellectual property rights in the ordinary course of business or consistent with industry practice, which in the reasonable good faith determination of the Borrower, are not material to the conduct of the business of the Borrower and its Restricted Subsidiaries taken as a whole;

(r) the granting of a Lien that is permitted under Section 7.01;

(s) the issuance of directors' qualifying shares and shares of Capital Stock of Foreign Subsidiaries issued to foreign nationals as required by applicable law;

(t) the disposition of any assets (including Equity Interests) (i) acquired in a transaction permitted hereunder, which assets are not used or useful in the principal business of the Borrower and its Restricted Subsidiaries or (ii) made in connection with the approval of any applicable antitrust authority or otherwise necessary or advisable in the good faith determination of the Borrower to consummate any acquisition permitted hereunder;

(u) dispositions of property to the extent that such property is exchanged for credit against the purchase price of similar replacement property;

(v) in connection with any Sale-Leaseback Transaction;

(w) the settlement or early termination of any Permitted Bond Hedge Transaction and the settlement or early termination of any related Permitted Warrant Transaction; ~~and~~

(x) dispositions of vacant land or aircraft;

(y) a disposition of all or a portion of the Equity Interests in or assets of Athlinks, Inc. and itssubsidiaries; and

(z) ~~(x)~~ the sales of property or assets for an aggregate fair market value since the~~date of this Agreement~~Amendment No. 8 Effective Date not to exceed $~~75.0~~100.0 million.

"**Assignee Group**" means two or more Eligible Assignees that are Affiliates of one another or two or more Approved Funds managed by the same investment advisor.

"**Assignment and Assumption**" means an Assignment and Assumption substantially in the form ofExhibit D-1 or any other form approved by the Administrative Agent.

"**Assumption**" has the meaning specified in Section 10.25.

"**Attorney Costs**" means all reasonable fees, expenses and disbursements of any law firm or other external legal counsel, to the extent documented in reasonable detail and invoiced.

"**Attributable Indebtedness**" means, on any date, in respect of any Capitalized Lease Obligation of any Person, the amount thereof that would appear as a liability on a balance sheet of such Person prepared as of such date in accordance with GAAP.

"**Auction Agent**" means (a) the Administrative Agent or (b) any other financial institution or advisor engaged by the Borrower (whether or not an Affiliate of the Administrative Agent) to act as an arranger in connection with any Discounted Term Loan Prepayment pursuant to Section 2.05(1)(e); *provided* that the Borrower shall not designate the Administrative Agent as the Auction Agent without the written consent of the Administrative Agent (it being understood that the Administrative Agent shall be under no obligation to agree to act as the Auction Agent); *provided further* that neither the Borrower nor any of its Affiliates may act as the Auction Agent.

"**Auto-Extension Letter of Credit**" has the meaning specified in Section 2.03(2)(c).

"**Available Currency**" means Dollars and Canadian Dollars.

"**Available Tenor**" means, as of any date of determination and with respect to the then-current Benchmark, as applicable, any tenor for such Benchmark or payment period for interest calculated with reference to such Benchmark, as applicable, that is or may be used for determining the length of an Interest Period pursuant to this Agreement as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of "Interest Period" pursuant to Section 3.03(4).

"**Average Return on Invested Capital**" means 16.4%.

"**Bankruptcy Code**" has the meaning specified in Section 8.02.

"**Base Rate**" means for any day a fluctuating rate per annum equal to the highest of (a) the Federal Funds Rate*plus* 1/2 of 1%, (b) the rate of interest in effect for such day as publicly announced from time to time by the Administrative Agent as its "prime rate" and (c) the Eurodollar Rate on such day for an Interest Period of one (1) month *plus* 1.00% (or, if such day is not a Business Day, the immediately preceding Business Day). The "prime rate" is a rate set by the Administrative Agent based upon various factors including the Administrative Agent's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above or below such announced rate. Any change in such rate announced by the Administrative Agent shall take effect at the opening of business on the day specified in the public announcement of such change.

"**Base Rate Loan**" means a Loan that bears interest based on the Base Rate. Base Rate Loans will be denominated in Dollars.

"**Basket**" means any amount, threshold or other value permitted or prescribed with respect to any Lien, Indebtedness, Asset Sale, Investment, Restricted Payment, transaction value, judgment or other amount under any provision in Articles V, VI, VII or VIII and the definitions related thereto.

"**Benchmark**" means, initially, LIBOR; provided that if a Benchmark Transition Event, a Term SOFR Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date have occurred with respect to LIBOR or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has become effective pursuant to clause (1) of Section 3.03.

"**Benchmark Replacement**" means, for any Available Tenor, the first alternative set forth in the order below that can be determined by the Administrative Agent as of the applicable Benchmark Replacement Date:

(1) the sum of: (a) Term SOFR, and (b) the Benchmark Replacement Adjustment;

(2) the sum of: (a) Daily Simple SOFR and (b) the Benchmark Replacement Adjustment;

(3) the sum of: (a) the alternate rate of interest that has been selected by the Administrative Agent and the Borrower as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a replacement rate or the mechanism for determining such a rate by the Relevant Governmental Body at such time or (ii) any evolving or then-prevailing market convention for determining a rate of interest as a replacement for the then-current Benchmark for U.S. dollar-denominated syndicated credit facilities at such time and (b) the Benchmark Replacement Adjustment;

provided that, in the case of clause (1) above, such Unadjusted Benchmark Replacement is displayed on a screen or other information service that publishes such rate or rates from time to time as selected by the Administrative Agent in its reasonable discretion; *provided further* that, notwithstanding anything to the contrary in this Agreement or in any other Loan Document, upon the occurrence of a Term SOFR Transition Event, and the delivery of a Term SOFR Notice, on the applicable Benchmark Replacement Date the "Benchmark Replacement"

shall revert to and shall be deemed to be the sum of (a)Term SOFR and (b) the related Benchmark Replacement Adjustment, as set forth in clause (1)of this definition (subject to the first proviso above). If the Benchmark Replacement as determined pursuant to clause (1), (2) or (3) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement.

"**Benchmark Replacement Adjustment**" means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Interest Period and Available Tenor for any setting of such Unadjusted Benchmark Replacement:

(1) for purposes of clauses (1) and (2) of the definition of "Benchmark Replacement", the first alternative set forth in the order below that can be determined by the Administrative Agent:

(a) the spread adjustment, or method for calculating or determining such spread adjustment (which may be a positive or negative value or zero) as of the Reference Time such Benchmark Replacement is first set for such Interest Period that has been selected or recommended by the Relevant Governmental Body for replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for the applicable Corresponding Tenor;

(b) the spread adjustment (which may be a positive or negative value or zero) as of the Reference Time such Benchmark Replacement is first set for such Interest Period that would apply to the fallback rate for a derivative transaction referencing the ISDA Definitions to be effective upon an index cessation event with respect to such Benchmark for the applicable Corresponding Tenor; and

(2) for purposes of clause (3)of the definition of "Benchmark Replacement", the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body on the applicable Benchmark Replacement Date or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar denominated syndicated credit facilities at such time;

provided that, in the case of clause (1)above, such adjustment is displayed on a screen or other information service that publishes such Benchmark Replacement Adjustment from time to time as selected by the Administrative Agent in its reasonable discretion.

" **Benchmark Replacement Conforming Changes**" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Base Rate", the definition of "Interest Period", timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, and other administrative matters) that the Administrative Agent reasonably decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent reasonably decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent reasonably determines that no market practice for the administration of the Benchmark Replacement exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement).

" **Benchmark Replacement Date**" means the earliest to occur of the following events with respect to the then-current Benchmark:

(1) in the case of clause (1) or (2) of the definition of "Benchmark Transition Event," the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof);

(2) in the case of clause (3)of the definition of "Benchmark Transition Event", the date of the public statement or publication of information referenced therein;

(3) in the case of a Term SOFR Transition Event, the date that is thirty (30)days after the date a Term SOFR Notice is provided to the Lenders and the Borrower pursuant to this Section 3.03; or

(4) in the case of an EarlyOpt-in Election, the sixth (6th) Business Day after the Rate Election Notice is provided to each of the other parties hereto, so long as the Administrative Agent has not received, by 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Early Opt-in Election is provided to the Lenders, written notice of objection to such EarlyOpt-in Election from Lenders comprising the Required Lenders.

For the avoidance of doubt, (i) if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination and (ii) the "Benchmark Replacement Date" will be deemed to have occurred in the case of clause (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

" **Benchmark Transition Event**" means the occurrence of one or more of the following events with respect to the then-current Benchmark:

(1) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely; *provided* that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(2) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or the published component used in the calculation thereof), the Board of Governors of the Federal Reserve System, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are no longer representative.

For the avoidance of doubt, a "Benchmark Transition Event" will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

"**Benchmark Unavailability Period**" means, with respect to any Benchmark, the period (if any)(x) beginning at the time that a Benchmark Replacement Date pursuant to clauses (1) or (2) of that definition has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes

hereunder and under any Loan Document in accordance with Section 3.03 and (y) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 3.03.

" **BHC Act Affiliate**" of a party means an "affiliate " (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

"**BMO**" means, collectively, Bank of Montreal and BMOC.

"**BMOC**" means BMO Capital Markets Corp.

"**Board of Directors**" means, for any Person, the board of directors or other governing body of such Person or, if such Person does not have such a board of directors or other governing body and is owned or managed by a single entity, the Board of Directors of such entity, or, in either case, any committee thereof duly authorized to act on behalf of such Board of Directors. Unless otherwise provided, "Board of Directors" means the Board of Directors of the Borrower.

"**Borrower**" means (a) at any time prior to the consummation of the Merger, the Initial Borrower, (b) upon the consummation of the Merger, Life Time and (c) upon the consummation of any transaction permitted by Section 7.04(d), the Successor Borrower.

"**Borrower Materials**" has the meaning specified in Section 6.02.

"**Borrower Offer of Specified Discount Prepayment**" means any offer by any Borrower Party to make a voluntary prepayment of Loans at a specified discount to par pursuant to Section 2.05(1)(e)(B).

"**Borrower Parties**" means the collective reference to Holdings, the Borrower and each Subsidiary of the Borrower and "**Borrower Party**" means any of them.

"**Borrower Solicitation of Discount Range Prepayment Offers**" means the solicitation by any Borrower Party of offers for, and the corresponding acceptance by a Lender of, a voluntary prepayment of Loans at a specified range of discounts to par pursuant to Section 2.05(1)(e)(C).

"**Borrower Solicitation of Discounted Prepayment Offers**" means the solicitation by any Borrower Party of offers for, and the subsequent acceptance, if any, by a Lender of, a voluntary prepayment of Loans at a discount to par pursuant to Section 2.05(1)(e)(D).

"**Borrowing**" means a borrowing consisting of Loans of the same Class and Type made, converted or continued on the same date and, in the case of Eurodollar Rate Loans or CDOR Loans, having the same Interest Period.

"**Broker-Dealer Regulated Subsidiary**" means any Subsidiary of the Borrower that is registered as a broker-dealer under the Exchange Act or any other applicable Laws requiring such registration.

"**Business Day**" means any day that is not a Legal Holiday and, with respect to any interest rate settings as to a Eurodollar Rate Loan, any fundings, disbursements, settlements and payments in respect of any such Eurodollar Rate Loan, or any other dealings to be carried out pursuant to this Agreement in respect of any such Eurodollar Rate Loan, any day on which dealings in deposits in Dollars or an Alternative Currency (as applicable) are conducted by and between banks in the London interbank eurodollar market.

"**Canadian Base Rate**" means, for any day, a rate per annum equal to the sum of (i) the CDOR Rate for a one month interest period beginning on such date and (ii) 100 basis points. Any change in the Canadian Base Rate due to a change in the CDOR Rate shall be effective from and including the effective date of such change in the CDOR Rate, respectively.

"**Canadian Dollars**" means the lawful currency of Canada.

"**Capital Expenditures**" means, for any period, the aggregate of all expenditures (whether paid in cash or accrued as liabilities and including in all events all amounts expended or capitalized under Capitalized Lease Obligations) by the Borrower and the Restricted Subsidiaries during such period that, in conformity with GAAP, are or are required to be included as capital expenditures on the consolidated statement of cash flows of the Borrower and the Restricted Subsidiaries.

"**Capital Stock**" means:

(1) in the case of a corporation, corporate stock or shares in the capital of such corporation;

(2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(3) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited); and

(4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person, but excluding from all of the foregoing any debt securities convertible into or exchangeable for Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

"**Capitalized Lease Obligation**" means, at the time any determination thereof is to be made, the amount of the liability in respect of a ~~capital~~finance lease that would at such time be required to be capitalized and reflected as a liability on a balance sheet (excluding the footnotes thereto) prepared in accordance with GAAP as in effect on the ~~Closing Date.~~Amendment No. 8 Effective Date. For the avoidance of doubt, no obligations under any operating lease (whether or not required to be capitalized and reflected as a liability on a balance sheet) shall be Capitalized Lease Obligations.

"**Capitalized Software Expenditures**" means, for any period, the aggregate of all expenditures (whether paid in cash or accrued as liabilities) by a Person and its Restricted Subsidiaries during such period in respect of licensed or purchased software or internally developed software and software enhancements that, in conformity with GAAP, are or are required to be reflected as capitalized costs on the consolidated balance sheet of a Person and its Restricted Subsidiaries.

"**Captive Insurance Subsidiary**" means any Subsidiary of the Borrower that is subject to regulation as an insurance company (or any Subsidiary thereof).

"**Cash Collateral**" has the meaning specified in the definition of "Cash Collateralize".

"**Cash Collateral Account**" means an account held at, and subject to the sole dominion and control of, the Collateral Agent.

"**Cash Collateralize**" means, in respect of an Obligation, to provide and pledge cash or Cash Equivalents in Dollars as collateral, at a location and pursuant to documentation in form and substance satisfactory to Administrative Agent or the Issuing Bank with respect to any Letter of Credit, as applicable (and "**Cash Collateralization**" has a corresponding meaning). "**Cash Collateral**" has a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

"**Cash Equivalents**" means:

(1) Dollars;

interest period as of 10:00 a.m. Toronto local time on such day for commercial loans or other extensions of credit to businesses of comparable credit risk; or if such day is not a Business Day, then as quoted by the Administrative Agent on the immediately preceding Business Day.

"**CFC**" means a "controlled foreign corporation" within the meaning of Section 957(a) of the Code.

"**CFC Holdco**" means a Domestic Subsidiary that has no material assets other than the Equity Interests in or indebtedness of one or more Foreign Subsidiaries that are CFCs, including the indirect ownership of such Equity Interests or indebtedness through one or more CFC Holdcos that have no other material assets.

"**Change in Law**" means the occurrence, after the Closing Date, of any of the following: (a) the adoption of any law, rule, regulation or treaty (excluding the taking effect after the Closing Date of a law, rule, regulation or treaty adopted prior to the Closing Date), (b) any change in any law, rule, regulation or treaty or in the administration, interpretation or application thereof by any Governmental Authority or (c) the making or issuance of any request, guideline or directive (whether or not having the force of law) by any Governmental Authority. It is understood and agreed that (i) the Dodd–Frank Wall Street Reform and Consumer Protection Act (Public Law 111-203, H.R. 4173), all Laws relating thereto and all interpretations and applications thereof and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States regulatory authorities, in each case pursuant to Basel III, shall, for the purpose of this Agreement, be deemed to be adopted subsequent to the Closing Date.

"**Change of Control**" means the occurrence of any of the following after the Closing Date:

(1) at any time prior to the consummation of the first public offering of the Borrower's common equity or the common equity of any Parent Company after the Closing Date, the Permitted Holders ceasing to beneficially own (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), in the aggregate, directly or indirectly, at least a majority of the aggregate ordinary voting power represented by the issued and outstanding Equity Interests of the Borrower or any Parent Company; or

(2) at any time following the consummation of the first public offering of the Borrower's common equity or the common equity of any Parent Company after the Closing Date, (a) any Person (other than a Permitted Holder) or (b) Persons (other than one or more Permitted Holders) constituting a "group" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act), becoming the "beneficial owner" (as defined in Rules 13(d)-3 and 13(d)-5 under such Act) of Equity Interests of the Borrower or such Parent Company representing more than thirty-five percent (35%) of the aggregate ordinary voting power represented by the issued and outstanding Equity Interests of the Borrower or such Parent Company, as applicable, and the percentage of aggregate ordinary voting power so held is greater than the percentage of the aggregate ordinary voting power represented by the Equity Interests of LTF Holdings, Inc. beneficially owned, directly or indirectly, in the aggregate by the Permitted Holders (*provided*, *however*, that for purposes of measuring beneficial ownership held by any Person that is not a Permitted Holder, Equity Interests held by any Permitted Holder will be excluded);

(3) any "Change of Control" (or any comparable term) in any document pertaining to the Senior Notes or any Refinancing Indebtedness thereof; or

(4) Holdings shall cease to be the registered owner of 100% of the Equity Interests of the Borrowerunless permitted under Section 7.03;

unless, in the case of clause (1) or (2) above, the Permitted Holders have, at such time, the right or the ability by voting power, contract or otherwise to elect or designate for election at least a majority of the board of directors of the Borrower or any Parent Company.

"**Claim**" means any actions, suits or written demands or claims.

"**Class**" means (i) with respect to Commitments or Loans, those of such Commitments or Loans that have the same terms and conditions (without regard to differences in the Type of Loan, Interest Period, upfront fees, OID or similar fees paid or payable in connection with such Commitments or Loans, or differences in tax treatment (e.g., "fungibility")) and (ii) with respect to Lenders, those of such Lenders that have Commitments or Loans of a particular Class.

"**Closing Date**" means the first date on which all the conditions precedent in Section 4.01 are satisfied or waived in accordance with Section 10.01, and the Closing Date Term Loans are made to the Borrower pursuant to Section 2.01(1)(a), which date was June 10, 2015.

"**Closing Date Loans**" means the Closing Date Term Loans and any Closing Date Revolving Borrowing.

"**Closing Date Material Adverse Effect**" means a "Company Material Adverse Effect" as defined in the Transaction Agreement.

"**Closing Date Refinancing**" means the repayment of all Indebtedness of the Acquired Company and its Subsidiaries with respect to which the Transaction Agreement requires the delivery of a payoff letter.

"**Closing Date Revolving Borrowing**" means a borrowing of Revolving Loans on the Closing Date, not to exceed the amount(s) (i) to pay Transaction Expenses in an amount not to exceed $ 20.0 million, *plus* (ii) for working capital purposes,*plus* (iii) to fund any original issue discount or upfront fees in connection with the Transactions resulting from the exercise of any "market flex" pursuant to the Fee Letter; *provided* that Letters of Credit may be issued on the Closing Date to backstop or replace letters of credit, guarantees and performance or similar bonds outstanding on the Closing Date (including deemed issuances of Letters of Credit under this Agreement resulting from an existing issuer of letters of credit outstanding on the Closing Date agreeing to become an Issuing Bank under this Agreement).

"**Closing Date Revolving Facility**" means (x) prior to the Amendment No. ~~6~~8 Effective Date, the ~~Original~~2017 Initial Revolving Facility and (y) from and after the Amendment No. ~~6~~8 Effective Date, the ~~Original Initial Revolving Facility and the~~ 2017 Initial Revolving Facility and the 2021 Initial Revolving Facility, collectively.

"**Closing Date Term Loan Commitment**" means, as to each Term Lender, its obligation to make a Closing Date Term Loan to the Borrower in an aggregate amount not to exceed the amount specified opposite such Lender's name under on Schedule 2.01 under the caption "Closing Date Term Loan Commitment" or in the Assignment and Assumption (or Affiliated Lender Assignment and Assumption) pursuant to which such Term Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement (including pursuant to Section 2.14, 2.15 or 2.16). The initial aggregate amount of the Closing Date Term Loan Commitments as of June 10, 2015 was $1,250.00 million.

"**Closing Date Term Loans**" means the Term Loans made by the Lenders on the Closing Date pursuant to Section 2.01(1)(a), pursuant to Amendment No. 4 ~~or~~, pursuant to Amendment No. 5 or pursuant to Amendment No. 8, as applicable. For the avoidance of doubt~~,~~ the ~~2017 Refinancing Term Loans and the New 2017~~2021 Refinancing Term Loans shall constitute Closing Date Term Loans.

"**Co-Investors**" means any of (a) the assignees, if any, of the equity commitments of any Investor who become holders of Equity Interests in Holdings (or any Parent Company) on the Closing Date in connection with the Merger and (b) the transferees, if any, that acquire, within ninety (90) days of the Closing Date, any Equity Interests in Holdings (or any Parent Company) held by any Investor as of the Closing Date.

"**Code**" means the U.S. Internal Revenue Code of 1986, as amended.

"**Collateral**" means all the "Collateral" (or equivalent term) as defined in any Collateral Document and the Mortgaged Properties, if any.

"**Collateral Agent**" has the meaning specified in the introductory paragraph to this Agreement.

"**Collateral and Guarantee Requirement**" means, at any time, the requirement that:

(1) the Collateral Agent (or a Mortgage Collateral Trustee, if applicable) shall have received each Collateral Document required to be delivered (a) on the Closing Date pursuant to Section 4.01(1)(c) or (b) pursuant to Section 6.11 or 6.13 at such time required by such Sections to be delivered, in each case, duly executed by each Loan Party that is party thereto;

(2) all Obligations shall have been unconditionally guaranteed by (a) Holdings (or any successor thereto), (b) each Restricted Subsidiary of the Borrower that is a wholly owned Material Subsidiary (other than any Excluded Subsidiary), which as of the Closing Date after giving effect to the Assumption shall include those that are listed on Schedule 1.01(1) hereto and (c) any Restricted Subsidiary of the Borrower that Guarantees (or is the borrower or issuer of) (i) the Senior Notes; (ii) any other Junior Financing, (iii) any Permitted Incremental Equivalent Debt or (iv) any Credit Agreement Refinancing Indebtedness (the Persons in the preceding clauses (a) through (c) collectively, the "**Guarantors**");

(3) except to the extent otherwise provided hereunder or under any Collateral Document, the Obligations and the Guaranty shall have been secured by a perfected security interest, subject only to Liens permitted by Section 7.01, in

(a) all the Equity Interests of the Borrower,

(b) all Equity Interests of each direct, wholly owned Material Domestic Subsidiary (other than any CFC Holdco) that is directly owned by the Borrower or any Subsidiary Guarantor and

(c) 65% of the issued and outstanding voting Equity Interests and 100% of the issued and outstanding Equity Interests that are not voting Equity Interests of each (i) wholly owned Material Domestic Subsidiary that is (a) a CFC Holdco and (b) directly owned by the Borrower or any Subsidiary Guarantor and (ii) Foreign Subsidiary that is directly owned by the Borrower or any Subsidiary Guarantor;

(4) except to the extent otherwise provided hereunder, including subject to Liens permitted by Section 7.01 or under any Collateral Document and in each case subject to exceptions and limitations otherwise set forth in this Agreement and the Collateral Documents, the Obligations and the Guaranty shall have been secured by a security interest in substantially all tangible and intangible personal property of the Borrower and each Guarantor (including accounts other than Securitization Assets), inventory, equipment, investment property, contract rights, applications and registrations of intellectual property filed in the United States, other general intangibles, and proceeds of the foregoing, in each case,

(a) that has been perfected (to the extent such security interest may be perfected by

(i) delivering certificated securities, intercompany notes and other instruments in which a security interest can be perfected by physical control, in each case to the extent required hereunder or the Security Agreement;

(ii) filing financing statements under the Uniform Commercial Code,

(iii) making any necessary filings with the United States Patent and Trademark Office or United States Copyright Office or

(iv) filings in the applicable real estate records with respect to Mortgaged Properties (or any fixtures related to Mortgaged Properties) to the extent required by the Collateral Documents and

(b) with the priority required by the Collateral Documents;*provided* that any such security interests in the Collateral shall be subject to the terms of the Intercreditor Agreements to the extent applicable; and

(5) the Collateral Agent shall have received counterparts of a Mortgage, together with the other deliverables described in Section 6.11(2)(b), with respect to each Material Real Property listed on Schedule 1.01(2) (to the extent required to be delivered pursuant to Section 6.13) or otherwise required to be delivered pursuant to Section 6.11 (the "**Mortgaged Properties**") duly executed and delivered by the record owner of such property within the time periods set forth in said Sections; *provided* that to the extent any Mortgaged Property is located in a jurisdiction which imposes mortgage recording taxes, intangibles tax, documentary tax or similar recording fees or taxes, (a) the relevant Mortgage shall not secure an amount in excess of the fair market value of the Mortgaged Property subject thereto and (b) subject to the approval of the Collateral Agent in its reasonable discretion, the relevant Mortgage shall not secure the Indebtedness in respect of Letters of Credit or the Revolving Facility to the extent those jurisdictions impose such aforementioned taxes on paydowns or re-advances applicable to such Indebtedness unless it is feasible to limit recovery to a capped amount that would not be subject to re-borrowing; provided, further upon the reasonable agreement of the Borrower and the Collateral Agent, the Borrower or the applicable Guarantor may satisfy the Collateral and Guarantee Requirement with respect to the delivery of a Mortgage on any Material Real Property that is required to be or has been mortgaged under the Loan Documents by delivering a mortgage to a Mortgage Collateral Trustee or amending an existing mortgage to be in favor of a Mortgage Collateral Trustee and to secure the Obligations in addition to the obligations under the Secured Notes Indenture (and any Additional Obligations (as defined in the Amendment No. 8 Intercreditor Agreement, as applicable) and to otherwise be in form and substance reasonably satisfactory to the Collateral Agent.

The foregoing definition shall not require, and the Loan Documents shall not contain any requirements as to, the creation, perfection or maintenance of pledges of, or security interests in, Mortgages on, or the obtaining of Mortgage Policies, surveys, abstracts or appraisals or taking other actions with respect to, any Excluded Assets.

The Collateral Agent may grant extensions of time for the creation, perfection or maintenance of security interests in, or the execution or delivery of any Mortgage and the obtaining of title insurance, surveys or Opinions of Counsel with respect to, particular assets (including extensions beyond the Closing Date for the creation, perfection or maintenance of security interests in the assets of the Loan Parties on such date) where it reasonably determines, in consultation with the Borrower, that creation or perfection cannot be accomplished without undue effort or expense by the time or times at which it would otherwise be required by this Agreement or the Collateral Documents.

No actions required by the Laws of any non-U.S. jurisdiction shall be required in order to create any security interests in any assets or to perfect or make enforceable such security interests (including any intellectual property registered or applied for in any non-U.S. jurisdiction) and there shall be no security agreements or pledge agreements governed under the Laws of any non-U.S. jurisdiction. No actions shall be required with respect to assets (other than in respect of Pledged Collateral (as defined in, and to the extent required under, the Security Agreement)) requiring perfection through control agreements or perfection by "control" (as defined in the UCC).

"**Collateral Documents**" means, collectively, the Security Agreement, the Intellectual Property Security Agreements, the Mortgages (if any), each of the collateral assignments, security agreements, pledge agreements or other similar agreements delivered to the Administrative Agent, Collateral Agent, Mortgage Collateral Trustee or the Lenders pursuant to Sections 4.01(1)(c), 6.11 or 6.13 and each of the other agreements, instruments or documents that creates or purports to create a Lien in favor of the Collateral Agent for the benefit of the Secured Parties.

"**Commitment**" means a Revolving Commitment, any Revolving Commitment Increase or other commitments in respect of any Incremental Revolving Facility, Term Commitment, Incremental Commitment, Refinancing Commitment or Extended Commitment, or any commitment in respect of Replacement Loans, as the context may require.

"**Commitment Fee Rate**" means a percentage per annum equal to the Applicable Rate set forth in the "Commitment Fee Rate" column of the chart in the definition of "Applicable Rate."

"**Commitment Letter**" means that certain Amended and Restated Commitment Letter, dated as of April 3, 2015, among Merger Sub, DB, Goldman Sachs, Jefferies, BMO, RBC, Macquarie, Nomura, Mizuho and US Bank, as amended, restated, amended and restated, supplemented or otherwise modified from time to time in accordance with the terms thereof.

"**Committed Loan Notice**" means a notice of (1) a Borrowing with respect to a given Class of Loans, (2) a conversion of Loans of a given Class from one Type to the other or (3) a continuation of Eurodollar Rate Loans or CDOR Loans of a given Class, pursuant to Section 2.02(1), which, if in writing, shall be substantially in the form of Exhibit A-1.

"**Commodity Exchange Act**" means the Commodity Exchange Act (7 U.S.C. §1 et. seq.), as amended from time to time and any successor statute.

"**Compensation Period**" has the meaning specified in Section 2.12(3)(b).

"**Compliance Certificate**" means a certificate substantially in the form of Exhibit C and which certificate shall in any event be a certificate of a Financial Officer of the Borrower

(1) certifying as to whether a Default has occurred and is continuing and, if applicable, specifying the details thereof and any action taken or proposed to be taken with respect thereto (in each case, other than any Default with respect to which the Administrative Agent has otherwise obtained notice in accordance with Section 6.03(1)),

(2) in the case of financial statements delivered under Section 6.01(1), setting forth reasonably detailed calculations of (i) Excess Cash Flow for each fiscal year commencing with the financial statements for fiscal year 2016 of the Borrower and (ii) the Net Proceeds and Specified Sale-Leaseback Net Proceeds (as applicable) received during the applicable period by or on behalf of the Borrower or any Restricted Subsidiary in respect of any (x) Asset Sale or Casualty Event subject to prepayment pursuant to Section 2.05(2)(b)(i) and the portion of such Net Proceeds that has been invested or is intended to be reinvested in accordance with Section 2.05(2)(b)(ii) and (y) Specified Sale-Leaseback Transaction subject to prepayment pursuant to Section 2.05(2)(c),

(3) to the extent that compliance with the ~~financial covenant under Section 7.12~~Financial Covenant is (or was) required in respect of the period covered by such financial statements, certifying as to (and containing all information and calculations necessary for determining) compliance with such financial covenant as of the last day of the applicable Test Period, and

(4) commencing with the certificate delivered pursuant to Section 6.02(1) for the first full fiscal quarter ending after the Closing Date, if the First Lien Net Leverage Ratio as of the last day of the most recent Test Period would result in a change in the applicable "Pricing Level" as set forth in the definition of "Applicable Rate," setting forth a calculation of such First Lien Net Leverage Ratio.

"**Consolidated Current Assets**" means, as at any date of determination, the total assets of the Borrower and the Restricted Subsidiaries on a consolidated basis that may properly be classified as current assets in

"**Contractual Obligation**" means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

"**Controlled Investment Affiliate**" means, as to any Person, any other Person, other than any Investor, which directly or indirectly is in control of, is controlled by, or is under common control with such Person and is organized by such Person (or any Person controlling such Person) primarily for making direct or indirect equity or debt investments in the Borrower or other companies.

"**Convertible Indebtedness**" means Indebtedness of the Borrower (which may be guaranteed by the Guarantors) permitted to be incurred hereunder that is either (a) convertible into common stock of the Borrower (and cash in lieu of fractional shares) or cash (in an amount determined by reference to the price of such common stock) or (b) sold as units with call options, warrants or rights to purchase (or substantially equivalent derivative transactions) that are exercisable for common stock of the Borrower or cash (in an amount determined by reference to the price of such common stock).

" **Corresponding Tenor**" with respect to any Available Tenor means, as applicable, either a tenor (including overnight) or an interest payment period having approximately the same length (disregarding business day adjustment) as such Available Tenor.

"**Covenant Modification Period**" means the period commencing on the Amendment No. 8 Effective Date and ending on the earlier of (i) January 1, 2022 and (ii) the date on which the Borrower shall have provided irrevocable notice to the Administrative Agent in writing of its intention to terminate the Covenant Modification Period; provided that the Borrower shall not be permitted to provide such notice unless at such time it shall be able to demonstrate compliance on a *pro forma* basis with the Financial Covenant as of the most recent Test Period.

"**Credit Agreement Refinanced Debt**" has the meaning assigned to such term in the definition of "Credit Agreement Refinancing Indebtedness."

"**Credit Agreement Refinancing Indebtedness**" means secured or unsecured Indebtedness of the Borrower or any Guarantor; *provided* that:

(1) such Indebtedness is incurred or otherwise obtained (including by means of the extension or renewal of existing Indebtedness) in exchange for, or to extend, renew, replace, or refinance, in whole or in part, Indebtedness that is either (a) Loans, (b) Revolving Commitments or (c) other Credit Agreement Refinancing Indebtedness ("**Credit Agreement Refinanced Debt**");

(2) such Indebtedness is in an original aggregate principal amount not greater than the principal amount of the Credit Agreement Refinanced Debt being exchanged, extended, renewed, replaced or refinanced (*plus* (a) the amount of all unpaid, accrued or capitalized interest, penalties, premiums (including tender premiums), and other amounts payable with respect to the Refinanced Debt and (b) underwriting discounts, fees, commissions, costs, expenses and other amounts payable with respect to such refinancing);

(3) the (a) Weighted Average Life to Maturity of such Indebtedness is equal to or longer than the remaining Weighted Average Life to Maturity of the Credit Agreement Refinanced Debt and (b) final maturity date of such Credit Agreement Refinancing Indebtedness is no earlier than the final maturity date of the Credit Agreement Refinanced Debt;

(4) any mandatory prepayments (and, with respect to any Credit Agreement Refinancing Indebtedness comprising Refinancing Revolving Loans, to the extent Commitments thereunder are permanently terminated) of:

(a) any Permitted Junior Priority Refinancing Debt or any Credit Agreement Refinancing Indebtedness that comprises unsecured notes or loans may not be made except to the extent that prepayments are (i) permitted hereunder and (ii) to the extent required hereunder or pursuant to the terms of any Permitted Equal Priority Refinancing Debt, first made or offered to the Loans, the Secured Notes, any other Pari Passu Lien Debt and any such Permitted Equal Priority Refinancing Debt; and

(b) any Permitted Equal Priority Refinancing Debt shall be made on a *pro rata* basis or less than *pro rata* basis (but not greater than a pro rata basis) with each tranche of Closing Date Loans and the Closing Date Revolving Facility (in each case, other than pursuant to a refinancing permitted hereunder or with respect to greater than *pro rata* payments to an earlier maturing tranche);

(5) such Indebtedness is not guaranteed by any Subsidiary of the Borrower other than a Subsidiary Guarantor;

(6) if such Indebtedness is secured:

(a) such Indebtedness is not secured by any assets or property of Holdings, the Borrower or any Restricted Subsidiary that does not constitute Collateral (subject to customary exceptions for cash collateral in favor of an agent, letter of credit issuer or similar "fronting" lender);

(b) the security agreements relating to such Indebtedness are substantially similar to or the same as the Collateral Documents (as determined in good faith by a Responsible Officer of the Borrower);

(c) if such Indebtedness is secured on a *pari passu* basis with the Closing Date Term Loans, a Debt Representative acting on behalf of the holders of such Indebtedness has become party to or is otherwise subject to the provisions of an Equal Priority Intercreditor Agreement;

(d) if such Indebtedness is secured on a junior basis to the Closing Date Term Loans, a Debt Representative, acting on behalf of the holders of such Indebtedness, has become party to or is otherwise subject to the provisions of a Junior Lien Intercreditor Agreement; and

(7) the covenants and events of default applicable to such Indebtedness (x) are on market terms or (y) are substantially identical to, or, taken as a whole, not materially more favorable to the lenders or holders providing such Indebtedness than, those applicable to such Credit Agreement Refinanced Debt, in each case as determined in good faith by a Responsible Officer of the Borrower in its reasonable judgment; *provided* that the Borrower will promptly deliver to the Administrative Agent final copies of the definitive credit documentation relating to such Indebtedness (unless the Borrower is bound by a confidentiality obligation with respect thereto, in which case the Borrower will deliver a reasonably detailed description of the material terms and conditions of such Indebtedness in lieu thereof); *provided further* that this clause (7) will not apply to:

(i) terms addressed in the preceding clauses (1) through (6),

(ii) interest rate, fees, funding discounts and other pricing terms,

(iii) redemption, prepayment or other premiums,

(iv) optional redemption or prepayment terms and

(vi) covenants and other terms applicable only to periods after the Latest Maturity Date at the time of incurrence of such Indebtedness.

Anything to the contrary notwithstanding (including, for the avoidance of doubt, clause (3) above), Credit Agreement Refinancing Indebtedness will include (1) any Registered Equivalent Notes issued in exchange therefor and (2) any bridge or other interim credit facility intended to be Refinanced with long-term indebtedness (so long as such credit facility includes customary "rollover provisions") , in which case, clause (3) of the first proviso in this definition shall not prohibit the inclusion of customary terms for "bridge" facilities, including customary mandatory prepayment, repurchase or redemption provisions.

For the avoidance of doubt, any voluntary prepayments of Credit Agreement Refinancing Indebtedness may be made on a *pro rata* basis, greater than *pro rata* basis or less than *pro rata* basis with other Loans.

"**Credit Extension**" means each of the following: (i) a Borrowing and (ii) an L/C Credit Extension.

"**Cure Amount**" has the meaning specified in Section 8.04(1).

"**Cure Expiration Date**" has the meaning specified in Section 8.04(1)(a).

" **Daily Simple SOFR**" means, for any day, SOFR, with the conventions for this rate (which will include a lookback) being established by the Administrative Agent in accordance with the conventions for this rate selected or recommended by the Relevant Governmental Body for determining "Daily Simple SOFR" for syndicated business loans; *provided* that, if the Administrative Agent decides that any such convention is not administratively feasible for the Administrative Agent, then the Administrative Agent may establish another convention in its reasonable discretion.

"**DB**" means, collectively, DBNY, DBCI and DBSI.

"**DBCI**" means Deutsche Bank AG Cayman Islands Branch.

"**DBNY**" means Deutsche Bank AG New York Branch.

"**DBSI**" means Deutsche Bank Securities Inc.

"**Debt Fund Affiliate**" means any (a) Affiliate of any Investor that is a bona fide bank, debt fund, distressed asset fund, hedge fund, mutual fund, insurance company, financial institution or an investment vehicle that is engaged in the business of investing in, acquiring or trading commercial loans, bonds and similar extensions of credit in the ordinary course, in each case, that is not organized primarily for the purpose of making equity investments and (b) investment fund or account of a Permitted Holder managed by third parties (including by way of a managed account, a fund or an index fund in which a Permitted Holder has invested) that is a bona fide bank, debt fund, distressed asset fund, hedge fund, mutual fund, insurance company, financial institution or an investment vehicle that is engaged in the business of investing in, acquiring or trading commercial loans, bonds and similar extensions of credit in the ordinary course, in each case of the preceding clauses (a) and (b), with respect to which the applicable Investor or Permitted Holder does not, directly or indirectly, possess the power to direct or cause the direction of the investment policies of such Person.

"**Debt Representative**" means, with respect to any series of Indebtedness secured by a Lien permitted under clause (39) of the definition of "Permitted Liens", Permitted Incremental Equivalent Debt, Permitted Equal Priority Refinancing Debt or Permitted Junior Priority Refinancing Debt, the trustee, administrative agent, collateral agent, security agent or similar agent under the indenture or agreement pursuant to which such Indebtedness is issued, incurred or otherwise obtained, as the case may be, and each of their successors in such capacities.

Date; *provided* that any Person that is a Lender and subsequently becomes a Disqualified Institution (but was not a Disqualified Institution on the Closing Date or at the time it became a Lender) shall be deemed to not be a Disqualified Institution hereunder. The identity of Disqualified Institutions will not be posted or distributed to any Person, other than a distribution by the Administrative Agent to a Lender upon request therefor.

"**Disqualified Stock**" means, with respect to any Person, any Capital Stock of such Person which, by its terms, or by the terms of any security into which it is convertible or for which it is redeemable or exchangeable, or upon the happening of any event, matures or is mandatorily redeemable (other than solely as a result of a change of control, asset sale, casualty, condemnation or eminent domain) pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof (other than (i) for any Qualified Equity Interests or (ii) solely as a result of a change of control, asset sale, casualty, condemnation or eminent domain), in whole or in part, in each case prior to the date 91 days after Latest Maturity Date or the date the Loans are no longer outstanding and the Commitments have been terminated; *provided* that if such Capital Stock is issued pursuant to any plan for the benefit of, future, current or former employees, directors, officers, members of management or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members or any permitted transferees thereof) of the Borrower or its Subsidiaries or any Parent Company or by any such plan to such employees, directors, officers, members of management or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members or any permitted transferees thereof), such Capital Stock will not constitute Disqualified Stock solely because it may be required to be repurchased by the Borrower or its Subsidiaries in order to satisfy applicable statutory or regulatory obligations or as a result of such employee's, director's, officer's, management member's or consultant's termination, death or disability; *provided further* any Capital Stock held by any future, current or former employee, director, officer, member of management or consultant (or their respective Controlled Investment Affiliates or Immediate Family Members or any permitted transferees thereof) of the Borrower, any of its Subsidiaries, any Parent Company, or any other entity in which the Borrower or a Restricted Subsidiary has an Investment and is designated in good faith as an "affiliate" by the Board of Directors (or the compensation committee thereof), in each case pursuant to any equity subscription or equity holders' agreement, management equity plan or stock option plan or any other management or employee benefit plan or agreement will not constitute Disqualified Stock solely because it may be required to be repurchased by the Borrower or any Subsidiary or in order to satisfy applicable statutory or regulatory obligations or as a result of such employee's, director's, officer's, management member's or consultant's termination, death or disability. For the purposes hereof, the aggregate principal amount of Disqualified Stock will be deemed to be equal to the greater of its voluntary or involuntary liquidation preference and maximum fixed repurchase price, determined on a consolidated basis in accordance with GAAP, and the "maximum fixed repurchase price" of any Disqualified Stock that does not have a fixed repurchase price will be calculated in accordance with the terms of such Disqualified Stock as if such Disqualified Stock were purchased on any date on which the Consolidated Total Debt will be required to be determined pursuant to this Agreement, and if such price is based upon, or measured by, the fair market value of such Disqualified Stock.

"**Dollar**" and "**$**" mean lawful money of the United States.

"**Dollar Amount**" means (a) with respect to any Loan denominated in Dollars, the principal amount thereof, (b) with respect to any Loan denominated in an Alternative Currency, the principal amount thereof then outstanding in the relevant Alternative Currency, converted into Dollars in accordance with Section 1.10(1), (c) with respect to any L/C Obligation denominated in Dollars, the amount thereof, (d) with respect to any L/C Obligation denominated in an Alternative Currency, the amount thereof converted to Dollars in accordance with Section 1.10(1) and (e) with respect to any Basket denominated (x) in Dollars, the amount thereof and (y) in any currency other than Dollars, the amount thereof converted to Dollars in accordance with Sections 1.10(3).

"**Domestic Subsidiary**" means any direct or indirect Subsidiary that is organized under the Laws of the United States, any state thereof or the District of Columbia.

" **Early Opt-in Election**" means the occurrence of:

(1) a notification by the Administrative Agent to (or the request by the Borrower to the Administrative Agent to notify) each of the other parties hereto that at least five currently outstanding U.S.

dollar-denominated syndicated credit facilities at such time contain (as a result of amendment or as originally executed) as a benchmark interest rate, in lieu of LIBOR, a SOFR-based rate (including SOFR, a term SOFR or any other rate based upon SOFR) as a benchmark rate (and such syndicated credit facilities are identified in such notice and are publicly available for review, and

(2) the joint election by the Administrative Agent and, the Borrower to declare that an EarlyOpt-in Election has occurred and the provision by the Administrative Agent of written notice of such election to each of the other parties hereto (the "**Rate Election Notice**").

"**ECF Percentage**" has the meaning specified in Section 2.05(2)(a).

"**Eligible Assignee**" means any Person that meets the requirements to be an assignee under Section 10.07(b)*,provided* that no Defaulting Lender(s) or Disqualified Institution(s) may be Eligible Assignee(s).

"**EMU Legislation**" means the legislative measures of the European Council for the introduction of, changeover to or operation of a single or unified European currency.

"**Enterprise Transformative Event**" means any merger, acquisition, Investment, dissolution, liquidation, consolidation or disposition, in any such case by the Borrower, any Restricted Subsidiary, Holdings or any Parent Company (other than the Investors) that is either (a) not permitted by the terms of any Loan Document immediately prior to the consummation of such transaction or (b) if permitted by the terms of the Loan Documents immediately prior to the consummation of such transaction, would not provide Holdings, the Borrower and its Restricted Subsidiaries with adequate flexibility under the Loan Documents for the continuation or expansion of their combined operations following such consummation, as reasonably determined by the Borrower acting in good faith.

"**Environment**" means ambient air, indoor air, surface water, groundwater, drinking water, soil, surface andsub-surface strata, and natural resources such as wetlands, flora and fauna.

"**Environmental Claim**" means any and all administrative, regulatory or judicial actions, suits , demands, demand letters, claims, liens, notices of noncompliance or violation, investigations (other than internal reports prepared by any Loan Party or any of its Subsidiaries (a) in the ordinary course of such Person's business or (b) as required in connection with a financing transaction or an acquisition or disposition of real estate) or proceedings with respect to any Environmental Liability or Environmental Law, (hereinafter "Claims"), including (i) any and all Claims by governmental or regulatory authorities for enforcement, cleanup, removal, response, remedial or other actions or damages pursuant to any Environmental Law and (ii) any and all claims by any third party seeking damages, contribution, indemnification, cost recovery, compensation or injunctive relief pursuant to any Environmental Law.

"**Environmental Laws**" means any and all Laws relating to pollution or the protection of the Environment or, to the extent relating to exposure to Hazardous Materials, human health.

"**Environmental Liability**" means any liability (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities) directly or indirectly resulting from or relating to (a) any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the Release or threatened Release of any Hazardous Materials or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"**Environmental Permit**" means any permit, approval, identification number, license or other authorization required under any Environmental Law.

"**Equal Priority Intercreditor Agreement**" means (a) ~~an~~the Amendment No. 8 Intercreditor Agreement, (b) another intercreditor agreement substantially in the form of ~~Exhibit G-1~~the Amendment No. 8 Intercreditor Agreement among the Administrative Agent or the Collateral Agent and one or more Debt

Representatives for holders of one or more classes of applicable Permitted Incremental Equivalent Debt, Pari Passu Lien Debt or Permitted Equal Priority Refinancing Debt or (~~b~~c) a customary intercreditor agreement in form and substance reasonably acceptable to the Administrative Agent, the Borrower and one or more of such Debt Representatives, in each case with such modifications thereto as the Administrative Agent, the Borrower and such Debt Representative(s) may agree.

"**Equity Contribution**" means, collectively, the direct or indirect contribution to the Borrower or any Parent Company, by the Investors, members of management of the Acquired Company and the Co-Investors of an aggregate amount of cash and rollover equity in the form of equity of the Borrower (which, if contributed in exchange for preferred equity of the Borrower shall be on terms reasonably satisfactory to the Arrangers) that represents not less than 30.0% of the sum of (i) the aggregate principal amount of Closing Date Term Loans borrowed hereunder on the Closing Date, (ii) the aggregate principal amount of the Senior Notes issued on the Closing Date, (iii) the aggregate amount of Indebtedness for borrowed money of Life Time and its Subsidiaries that survives the consummation of the Transactions (including any Existing Mortgage Debt) and (iv) the amount of such cash and rollover equity contributed, in each case, on the Closing Date (*provided* that the Investors shall directly or indirectly control not less than a majority of the economic and voting Equity Interests in Holdings on the Closing Date after giving effect to the Transactions).

"**Equity Interests**" means, with respect to any Person, the Capital Stock of such Person and all warrants, options or other rights to acquire Capital Stock of such Person, but excluding any debt security that is convertible into, or exchangeable for, Capital Stock of such Person.

"**Equity Offering**" means any public or private sale of common stock or Preferred Stock of the Borrower or any Parent Company (excluding Disqualified Stock), other than:

(1) public offerings with respect to the Borrower's or any Parent Company's common stock registered on Form S-4 or Form S-8;

(2) issuances to any Restricted Subsidiary of the Borrower; and

(3) any such public or private sale that constitutes an Excluded Contribution.

"**Equivalent Percentage**" means, with respect to any dollar amount, such percentage of TTM Run-Rate Adjusted EBITDA as such dollar amount represents of Run-Rate Adjusted EBITDA of the Borrower for the four quarters ended March 31, 2015, rounded up to the nearest one tenth of 1%. For purposes of calculating Equivalent Percentage and otherwise under this Agreement, Run-Rate Adjusted EBITDA of the Borrower for the four quarters ended March 31, 2015 shall be deemed to be $395.0 million.

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"**ERISA Affiliate**" means any trade or business (whether or not incorporated) that together with any Loan Party is treated as a single employer within the meaning of Section 414 of the Code or Section 4001 of ERISA.

"**ERISA Event**" means (a) a Reportable Event with respect to a Pension Plan; (b) a withdrawal by any Loan Party or any of their respective ERISA Affiliates from a Pension Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations that is treated as a termination under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by any Loan Party or any of their respective ERISA Affiliates from a Multiemployer Plan, written notification of any Loan Party or any of their respective ERISA Affiliates concerning the imposition of withdrawal liability or written notification that a Multiemployer Plan is "insolvent" (within the meaning of Section 4245 of ERISA) or has been determined to be in "endangered" or "critical" status (within the meaning of Section 432 of the Code or Section 305 of ERISA); (d) the filing under Section 4041(c) of ERISA of a notice of intent to terminate a Pension Plan, the treatment of a Pension Plan or Multiemployer Plan amendment as a termination under Sections 4041 or 4041A of

(2) dividends, distributions, fees and other payments from any joint ventures that are not Restricted Subsidiaries; and

(3) the sale (other than to a Restricted Subsidiary of the Borrower or to any management equity plan or stock option plan or any other management or employee benefit plan or agreement of the Borrower) of Capital Stock (other than Disqualified Stock and Designated Preferred Stock) of the Borrower;

in each case, other than an exercise of the cure right set forth in Section 8.04, designated as Excluded Contributions pursuant to an Officer's Certificate and that are excluded from the calculation set forth in clause (3) of Section 7.05(a).

" **Excluded Covenant Accounts**" means deposit accounts (a) established (or otherwise maintained) by the Loan Parties that do not have cash balances at any time exceeding $5,000,000 individually, (b) solely containing funds used or to be used for payroll and payroll taxes and other employee benefit payments, (c) solely containing funds used or to be used to pay all Taxes required to be collected, remitted or withheld (including, without limitation, federal, state, provincial and other withholding Taxes (including the employer's share thereof)) and (d) solely containing any other funds which any Loan Party (i) holds on behalf of another Person (other than Holdings or any of its Subsidiaries) or (ii)holds as an escrow or fiduciary for another Person (other than Holdings or any of its Subsidiaries).

"**Excluded Proceeds**" means, with respect to any Asset Sale or Casualty Event, the sum of (1) any Net Proceeds therefrom that are not, at the time of realization or receipt thereof, required to be applied to prepay Term Loans pursuant to Section 2.05(2)(b) as a result of the Disposition Percentage being less than 100%, (2) any Net Proceeds therefrom that constitute Declined Proceeds and (3) any Net Proceeds therefrom that otherwise are waived by the Required Facility Lenders from the requirement to be applied to prepay the applicable Term Loans pursuant to Section 2.05(2)(b).

"**Excluded Subsidiaries**" means all of the following and "**Excluded Subsidiary**" means any of them:

(1) any Subsidiary that is not a direct, wholly owned Subsidiary of the Borrower or a Subsidiary Guarantor,

(2) any Foreign Subsidiary,

(3) any CFC Holdco,

(4) any Domestic Subsidiary that is a Subsidiary of any (i) Foreign Subsidiary, (ii) CFC or (iii) CFC Holdco,

(5) any Subsidiary (including any regulated entity that is subject to net worth or net capital or similar capital and surplus restrictions) that is prohibited or restricted by applicable Law, accounting policies or by Contractual Obligation existing on the Closing Date (or, with respect to any Subsidiary acquired by the Borrower or a Restricted Subsidiary after the Closing Date (and so long as such Contractual Obligation was not incurred in contemplation of such acquisition), on the date such Subsidiary is so acquired) from providing a Guaranty, or if such Guaranty would require governmental (including regulatory) or third party (other than a Loan Party) consent, approval, license or authorization

(6) any special purpose securitization vehicle (or similar entity) or any Securitization Subsidiary,

(7) any Captive Insurance Subsidiary or not-for-profit Subsidiary,

(4) any withholding tax attributable to a Lender's failure to comply with Section 3.01(3),

(5) any tax imposed under FATCA and

(6) any interest, additions to taxes and penalties with respect to any taxes described in clauses (1) through (5) of this definition.

"**Existing Credit Agreement**" means that certain Third Amended and Restated Credit Agreement, dated as of June 30, 2011, by and among the Acquired Company, certain of its Subsidiaries from time to time party thereto, U.S. Bank National Association, as agent, and the lenders and other parties from time to time party thereto, as amended, restated, supplemented or otherwise modified from time to time.

"**Existing Letter of Credit**" has the meaning specified in Section 2.03(8).

"**Existing Mortgage Debt**" means (i) the Loan Agreement dated as of January 28, 2014 between LTF Real Estate CMBS II, LLC and Wells Fargo Bank, National Association, (ii) the Promissory Note, dated as of February 12, 2013 between LTF Real Estate MP I, LLC and ING Life Insurance and Annuity Company, (iii) the Promissory Note, dated as of August 23, 2013 between LTF Real Estate MP II, LLC and ING Life Insurance and Annuity Company, and (iv) the Promissory Note, dated as of July 29, 2014 between LTF Real Estate MP III, LLC and ING Life Insurance and Annuity Company.

"**Expiring Credit Commitment**" has the meaning specified in Section 2.04(7).

"**Extended Commitments**" means, collectively, Extended Revolving Commitments and Extended Term Commitments.

"**Extended Loans**" means, collectively, Extended Revolving Loans and Extended Term Loans.

"**Extended Revolving Commitments**" means the Revolving Commitments held by an Extending Lender.

"**Extended Revolving Loans**" means the Revolving Loans made pursuant to Extended Revolving Commitments.

"**Extended Term Commitments**" means the Term Loan Commitments held by an Extending Lender.

"**Extended Term Loans**" means the Term Loans made pursuant to Extended Term Commitments.

"**Extending Lender**" means each Lender accepting an Extension Offer.

"**Extension**" has the meaning specified in Section 2.16(1).

"**Extension Amendment**" has the meaning specified in Section 2.16(2). "**Extension Offer**" has the meaning specified in Section 2.16(1).

"**Facilities**" means the Closing Date Term Loans, the ~~Original Initial Revolving Facility, the~~ 2017 Initial Revolving Facility, the 2021 Initial Revolving Facility, the Swing Line Facility, any Extended Term Loans, any Extended Revolving Commitments and Extended Revolving Loans, any Refinancing Term Loans or Refinancing Revolving Loans, any Incremental Term Loans or Incremental Revolving Commitments or any Replacement Loans, as the context may require, and "**Facility**" means any of them.

"**fair market value**" means, with respect to any asset or liability, the fair market value of such asset or liability as determined by the Borrower in good faith.

"**FATCA**" means Sections 1471 through 1474 of the Code as in effect on the date hereof or any amended or successor version thereof that is substantively comparable and not materially more onerous to comply with (and, in each case, any regulations promulgated thereunder or official interpretations thereof), and any agreements entered into pursuant to Section 1471(b)(1) of the Code, and any intergovernmental agreements (together with any law implementing such agreements).

"**FCPA**" has the meaning specified in Section 5.17.

"**Federal Funds Rate**" means, for any day, the rate per annum equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank on the Business Day next succeeding such day; *provided* that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to the Administrative Agent on such day on such transactions as determined by the Administrative Agent.

"**Fee Letter**" means that certain Amended and Restated Fee Letter, dated as of April 3, 2015, by and among Merger Sub, DB, Goldman Sachs, Jefferies, BMO, RBC, Macquarie, Nomura, Mizuho and US Bank, as amended, restated, amended and restated, supplemented or otherwise modified from time to time in accordance with the terms thereof.

"**Financial Covenant**" means the covenant specified in Section 7.12(1)(a).

"**Financial Covenant Cross Default**" has the meaning specified in Section 8.01(2).

"**Financial Covenant Event of Default**" has the meaning specified in Section 8.01(2).

"**Financial Officer**" means, with respect to a Person, the chief financial officer, accounting officer, treasurer, controller or other senior financial or accounting officer of such Person, as appropriate.

"**First Lien Net Leverage Ratio**" means, with respect to any Test Period, the ratio of (a) Consolidated Total Debt outstanding as of the last day of such Test Period that is secured by a Lien that is *pari passu* in priority with the Liens securing the Obligations, *plus*, Existing Mortgage Debt and Capitalized Lease Obligations or any Refinancing Indebtedness thereof (other than property or assets held in a defeasance or similar trust or arrangement (including escrow arrangements) solely for the benefit of the Indebtedness secured thereby), *minus,* the aggregate amount of cash and Cash Equivalents included in the consolidated balance sheet of the Borrower as of such date, excluding cash and Cash Equivalents that are listed as "Restricted" on such balance sheet to (b) Run-Rate Adjusted EBITDA of the Borrower for such Test Period, in each case on a pro forma basis with such pro forma adjustments as are appropriate and consistent with Section 1.07.

" **Fitch**" means Fitch Ratings, Inc., and any successor thereto.

"**Fixed Charge Coverage Ratio**" means, with respect to any Test Period, the ratio of(1) Run-Rate Adjusted EBITDA of the Borrower for such Test Period to (2) Fixed Charges of the Borrower for such Test Period, in each case on a *pro forma* basis with such *pro forma* adjustments as are appropriate and consistent with Section 1.07.

"**Fixed Charges**" means, with respect to any Person for any period, the sum of, without duplication:

(1) Consolidated Interest Expense of such Person for such period;

(2) all cash dividends or other cash distributions paid (excluding items eliminated in consolidation) on any series of Preferred Stock during such period; and

(3) all cash dividends or other cash distributions paid (excluding items eliminated in consolidation) on any series of Disqualified Stock during such period.

"**Fixed Incremental Amount**" has the meaning specified in the definition of "Permitted Incremental Amount".

"**Flood Insurance Laws**" means, collectively, (i) the National Flood Insurance Act of 1968 as now or hereafter in effect or any successor statute thereto, (ii) the Flood Disaster Protection Act of 1973 as now or hereafter in effect or any successor statute thereto, (iii) the National Flood Insurance Reform Act of 1994 as now or hereafter in effect or any successor statute thereto and (iv) the Flood Insurance Reform Act of 2004 as now or hereafter in effect or any successor statute thereto.

"**floor**" means, with respect to any reference rate of interest, any fixed minimum amount specified for such rate.

" **Floor**" means, (a) with respect to the 2021 Refinancing Term Loans, 1.00% *per annum*, (b) all other Term Loans unless an alternate Floor is specifically noted in the documentation with respect to such other Term Loans or such documentation with respect to such other Term Loans specifically provides that there will be no benchmark rate floor, 1.00% *per annum*, and (c) with respect to all Revolving Loans, 0.00% *per annum*.

"**Foreign Asset Sale**" has the meaning specified in Section 2.05(2)(h).

"**Foreign Casualty Event**" has the meaning specified in Section 2.05(2)(h).

"**Foreign Lender**" means a Lender that is not a United States person within the meaning of Section 7701(a)(30) of the Code.

"**Foreign Plan**" means any material employee benefit plan, program or agreement maintained or contributed to by, or entered into with, the Borrower or any Subsidiary of the Borrower with respect to employees employed outside the United States (other than benefit plans, programs or agreements that are mandated by applicable Laws).

"**Foreign Sale-Leaseback**" has the meaning specified in Section 2.05(2)(h).

"**Foreign Subsidiary**" means any direct or indirect Restricted Subsidiary of the Borrower that is not a Domestic Subsidiary.

"**Fronting Exposure**" means, at any time there is a Defaulting Lender (a) with respect to an L/C Borrowing, such Defaulting Lender's Pro Rata Share or other applicable share provided under this Agreement of the outstanding L/C Obligations other than L/C Obligations as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof and (b) with respect to the Swing Line Lender, such Defaulting Lender's Pro Rata Share or other applicable share provided under this Agreement of Swing Line Loans other than Swing Line Loans as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof.

"**Fund**" means any Person (other than a natural person) that is primarily engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its activities.

"**Indebtedness**" means, with respect to any Person, without duplication:

(1) any indebtedness (including principal and premium) of such Person, whether or not contingent:

(a) in respect of borrowed money;

(b) evidenced by bonds, notes, debentures or similar instruments or letters of credit or bankers' acceptances (or, without duplication, reimbursement agreements in respect thereof);

(c) representing the balance deferred and unpaid of the purchase price of any property (including Capitalized Lease Obligations) due more than twelve months after such property is acquired, except (i) any such balance that constitutes an obligation in respect of a commercial letter of credit, a trade payable or similar obligation to a trade creditor, in each case accrued in the ordinary course of business or consistent with industry practice, (ii) any earn-out obligations until such obligation is reflected as a liability on the balance sheet (excluding any footnotes thereto) of such Person in accordance with GAAP and is not paid within 60 days after becoming due and payable and (iii) accruals for payroll and other liabilities accrued in the ordinary course of business; or

(d) representing the net obligations under any Hedging Obligations;

if and to the extent that any of the foregoing Indebtedness (other than obligations in respect of letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet (excluding the footnotes thereto) of such Person prepared in accordance with GAAP; *provided* that Indebtedness of any Parent Company appearing upon the balance sheet of the Borrower solely by reason of push-down accounting under GAAP will be excluded;

(2) to the extent not otherwise included, any obligation by such Person to be liable for, or to pay, as obligor, guarantor or otherwise, on the obligations of the type referred to in clause (1) of a third Person (whether or not such items would appear upon the balance sheet of such obligor or guarantor), other than by endorsement of negotiable instruments for collection in the ordinary course of business or consistent with industry practice; and

(3) to the extent not otherwise included, the obligations of the type referred to in clause (1) of a third Person secured by a Lien on any asset owned by such first Person, whether or not such Indebtedness is assumed by such first Person; *provided* that the amount of such Indebtedness will be the lesser of (i) the fair market value of such asset at such date of determination and (ii) the amount of such Indebtedness of such other Person; *provided* that notwithstanding the foregoing, Indebtedness will be deemed not to include:

(i) Contingent Obligations incurred in the ordinary course of business or consistent with industry practice,

(ii) reimbursement obligations under commercial letters of credit (*provided* that unreimbursed amounts under letters of credit will be counted as Indebtedness three (3) Business Days after such amount is drawn),

(iii) obligations under or in respect of Qualified Securitization Facilities,

(iv) accrued expenses,

(v) deferred or prepaid revenues, ~~and~~

(vi) asset retirement obligations and obligations in respect of reclamation and workers compensation (including pensions and retiree medical care)~~;~~, and

(vii) any lease, concession or license of property (or guarantee thereof) that would be considered an operating lease under GAAP as in effect on the Amendment No. 8 Effective Date;

provided further that Indebtedness will be calculated without giving effect to the effects of Accounting Standards Codification Topic No. 815, *Derivatives and Hedging*, and related interpretations to the extent such effects would otherwise increase or decrease an amount of Indebtedness for any purpose under this Agreement as a result of accounting for any embedded derivatives created by the terms of such Indebtedness.

"**Indemnified Liabilities**" has the meaning specified in Section 10.05.

"**Indemnitees**" has the meaning specified in Section 10.05.

"**Independent Assets or Operations**" means, with respect to any Parent Company, that Parent Company's' total assets, revenues, income from continuing operations before income taxes and cash flows from operating activities (excluding in each case amounts related to its investment in the Borrower and the Restricted Subsidiaries), determined in accordance with GAAP and as shown on the most recent balance sheet of such Parent Company, is more than 3.0% of such Parent Company's corresponding consolidated amount.

"**Independent Financial Advisor**" means an accounting, appraisal, investment banking firm or consultant of nationally recognized standing that, in the good faith judgment of the Borrower, is qualified to perform the task for which it has been engaged.

"**Information**" has the meaning specified in Section 10.09.

"**Initial Borrower**" has the meaning specified in the introductory paragraph to this Agreement.

~~"**Initial Loans**" means the Closing Date Loans and any Incremental Loans that are treated as the same Class.~~

"**Intellectual Property Security Agreements**" has the meaning specified in the Security Agreement.

"**Intercompany Subordination Agreement**" means the Intercompany Subordination Agreement, dated as of the Closing Date, substantially in the form of Exhibit Q executed by the Borrower and each Restricted Subsidiary of that is party thereto.

"**Intercreditor Agreement**" means any Equal Priority Intercreditor Agreement(s) or Junior Lien Intercreditor Agreement(s) that may be executed from time to time.

"**Interest Payment Date**" means, (a) as to any Loan of any Class other than a Base Rate Loan (other than any Swing Line Loan), the last day of each Interest Period applicable to such Loan and the applicable Maturity Date of the Loans of such Class; *provided* that if any Interest Period for a Eurodollar Rate Loan or a CDOR Loan exceeds three months, the respective dates that fall every three months after the beginning of such Interest Period shall also be Interest Payment Dates; (b) as to any Base Rate Loan (other than any Swing Line Loan) of any Class, the last Business Day of each March, June, September and December and the applicable Maturity Date of the Loans of such Class; and (c) as to any Swing Line Loan, the last Business Day of any calendar month or, if any Event of Default has occurred and is continuing, upon demand of the Swing Line Lender; and (d) as to any Revolving Loan ~~under the Original Initial Revolving Facility~~outstanding immediately prior to the Amendment No. 8 Effective Date, the Amendment No. ~~6~~8 Effective Date.

"**Interest Period**" means, as to each Eurodollar Rate Loan or any CDOR Loan, the period commencing on the date such Eurodollar Rate Loan or CDOR Loan is disbursed or converted to or continued as a

(b) the portion (proportionate to the Borrower's Equity Interest in such Subsidiary) of the fair market value of the net assets of such Subsidiary at the time of such redesignation; and

(2) any property transferred to or from an Unrestricted Subsidiary will be valued at its fair market value at the time of such transfer.

The amount of any Investment outstanding at any time will be the original cost of such Investment, reduced by any dividend, distribution, interest payment, return of capital, repayment or other amount received in cash by the Borrower or a Restricted Subsidiary in respect of such Investment.

"**Investor**" means any of (i) Leonard Green & Partners, L.P., ("~~LGP~~" ii) ~~and~~ TPG Capital, L.P., ("~~TPG~~")iii) LNK Partners, LLC, (iv) MSD Capital, L.P., (v) LifeCo LLC, (vi) Partners Group (USA) Inc. and any of their respective Affiliates and funds or partnerships managed or advised by any of them or any of their respective Affiliates but not including, however, any portfolio company of any of the foregoing.

"**IP Rights**" has the meaning specified in Section 5.15.

"**IRS**" means Internal Revenue Service of the United States.

" **ISDA Definitions**" means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time by the International Swaps and Derivatives Association, Inc. or such successor thereto.

"**ISP**" means, with respect to any Letter of Credit, the "International Standby Practices 1998" published by the Institute of International Banking Law & Practice, Inc. (or such later version thereof as may be in effect at the time of issuance).

"**Issuing Bank**" means US Bank, in its capacity as an issuer of Letters of Credit hereunder (including the Existing Letters of Credit), together with its permitted successors and assigns and any other Revolving Lender that becomes an Issuing Bank in accordance with Section 2.03(12).

"**Issuing Bank Document**" means with respect to any Letter of Credit, the L/C Application, and any other document, agreement and instrument entered into by any Issuing Bank and the Borrower (or any of its Subsidiaries) or in favor of such Issuing Bank and relating to such Letter of Credit.

"**Jefferies**" means Jefferies Finance LLC.

"**Judgment Currency**" has the meaning specified in Section 10.26.

"**Junior Financing**" means, collectively (1) Subordinated Indebtedness, (2) Junior Lien Debt and (3) any unsecured Indebtedness.

"**Junior Financing Documentation**" means any documentation governing any Junior Financing.

"**Junior Lien Debt**" has the meaning specified in clause (39) of the definition of Permitted Liens.

"**Junior Lien Intercreditor Agreement**" means (a) an intercreditor agreement substantially in the form ofExhibit G-2 among the Administrative Agent or the Collateral Agent and one or more Debt Representatives for holders of one or more classes of applicable one or more classes of applicable Incremental Loans, Permitted Incremental Equivalent Debt, Junior Lien Debt or Permitted Junior Priority Refinancing Debt or (b) a customary intercreditor agreement in form and substance reasonably acceptable to the Administrative Agent, the Borrower and one or more of such Debt Representatives, in each case with such modifications thereto as the Administrative Agent, the Borrower and such Debt Representative(s) may agree.

assignment or participation is made to any Disqualified Institution without the Borrower's prior written consent in violation of clause (v) of Section 10.07(b) the Borrower may, at its sole expense and effort, upon notice to the applicable Disqualified Institution and the Administrative Agent, (A) terminate any Revolving Commitment of such Disqualified Institution and repay all obligations of the Borrower owing to such Disqualified Institution in connection with such Revolving Commitment, (B) in the case of outstanding Term Loans held by Disqualified Institutions, purchase or prepay such Term Loan by paying the lesser of (x) the principal amount thereof and (y) the amount that such Disqualified Institution paid to acquire such Term Loans, in each case plus accrued interest, accrued fees and all other amounts (other than principal amounts) payable to it hereunder and/or (C) require such Disqualified Institution to assign, without recourse (in accordance with and subject to the restrictions contained in Section 10.07), all of its interest, rights and obligations under this Agreement to one or more Eligible Assignees at the lesser of (x) the principal amount thereof and (y) the amount that such Disqualified Institution paid to acquire such interests, rights and obligations, in each case plus accrued interest, accrued fees and all other amounts (other than principal amounts) payable to it hereunder.

"**Lending Office**" means, as to any Lender, the office or offices of such Lender described as such in such Lender's Administrative Questionnaire, or such other office or offices as a Lender may from time to time notify the Borrower and the Administrative Agent.

"**Letter of Credit**" means any letter of credit issued hereunder, including Existing Letters of Credit. A Letter of Credit may be a commercial letter of credit or a standby letter of credit; *provided*, *however*, that any commercial letter of credit issued hereunder shall provide solely for cash payment upon presentation of a sight draft.

"**LIBOR**" has the meaning specified in the definition of "Eurodollar Rate."

"**Lien**" means, with respect to any asset, any mortgage, lien (statutory or otherwise), pledge, hypothecation, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction; *provided* that in no event will an operating lease be deemed to constitute a Lien.

"**Life Time**" has the meaning specified in the preliminary statements of this Agreement.

"**Limited Condition Acquisition**" means any (1) Permitted Acquisition or other investment permitted hereunder by the Borrower or one or more of its Restricted Subsidiaries whose consummation is not conditioned on the availability of, or on obtaining, third-party financing and (2) repayment, repurchase or Refinancing of Indebtedness with respect to which an irrevocable notice of repayment (or similar irrevocable notice) is delivered.

"**Liquidity** " means, as of any date of determination, the sum of the following amounts as of such day (each, a "**Measurement Date**"): (a) consolidated cash and Cash Equivalents of Borrower and its Restricted Subsidiaries as of such Measurement Date (excluding cash or Cash Equivalents that (i) would appear (or would be required to appear) as"restricted " on the consolidated balance sheet of Borrower or (ii) are subject to any Lien as of such Measurement Date, other than Liens securing the Obligations, Liens securing the Secured Notes and non-consensual Liens arising by operation of law), plus (b) the unused Revolving Commitments in effect as of such Measurement Date.

"**Loan**" means an extension of credit under Article II by a Lender (x) to the Borrower in the form of a Term Loan, (y) to the Borrower in the form of a Revolving Loan or (z) to the Borrower in the form of a Swing Line Loan.

"**Loan Documents**" means, collectively, (a) this Agreement, (b) the Notes, (c) any Refinancing Amendment, Incremental Amendment, Extension Amendment or amendment in respect of Replacement Loans, (d) the Guaranty, (e) the Collateral Documents, (f) the Intercreditor Agreements and (g) each L/C Application.

"**Loan Parties**" means, collectively, (a) Holdings, (b) the Borrower and (c) each Subsidiary Guarantor.

"**Macquarie**" means, collectively, Macquarie Capital and Macquarie Lender.

"**Macquarie Capital**" means Macquarie Capital (USA) Inc.

"**Macquarie Lender**" means MIHI LLC.

"**Management Services Agreement**" means the management services agreement or similar agreements among one or more of the Investors or certain of their respective management companies associated with it or their advisors, if applicable, and the Borrower (or any Parent Company).

"**Management Stockholders**" means the members of management (and their Controlled Investment Affiliates and Immediate Family Members and any permitted transferees thereof) of the Borrower (or a Parent Company) who are holders of Equity Interests of any Parent Company on the ~~Closing Date or will become holders of such Equity Interests in connection with the Transactions~~Amendment No. 8 Effective Date or from time to time.

"**Mandatory Swing Line Borrowing**" has the meaning set forth in Section 2.04(3)(a).

"**Margin Stock**" has the meaning set forth in Regulation U of the Board of Governors of the United States Federal Reserve System, or any successor thereto.

"**Market Capitalization**" means an amount equal to (i) the total number of issued and outstanding shares of common Equity Interests of the Borrower or the applicable Parent Company, as applicable, on the date of the declaration of a Restricted Payment permitted pursuant to Section 7.05(b)(8) *multiplied by* (ii) the arithmetic mean of the closing prices per share of such common Equity Interests on the principal securities exchange on which such common Equity Interests are traded for the 30 consecutive trading days immediately preceding the date of declaration of such Restricted Payment.

"**Material Adverse Effect**" means any event, circumstance or condition that has had a materially adverse effect on (a) the business, operations, assets or financial condition of the Borrower and its Subsidiaries, taken as a whole, (b) the ability of the Loan Parties (taken as a whole) to perform their payment obligations under the Loan Documents or (c) the rights and remedies of the Lenders, the Collateral Agent or the Administrative Agent under the Loan Documents.

"**Material Domestic Subsidiary**" means, as of the Closing Date and thereafter at any date of determination, each of the Borrower's Domestic Subsidiaries that is a Restricted Subsidiary (a) whose Total Assets at the last day of the most recent Test Period (when taken together with the Total Assets of the Restricted Subsidiaries of such Domestic Subsidiary at the last day of the most recent Test Period) were equal to or greater than 5.0% of Total Assets of the Borrower and the Restricted Subsidiaries that are Domestic Subsidiaries at such date or (b) whose gross revenues for such Test Period (when taken together with the gross revenues of the Restricted Subsidiaries of such Domestic Subsidiary for such Test Period) were equal to or greater than 5.0% of the consolidated gross revenues of the Borrower and the Restricted Subsidiaries that are Domestic Subsidiaries for such Test Period, in each case determined in accordance with GAAP; *provided* that if at any time and from time to time after the date which is 30 days after the Closing Date (or such longer period as the Administrative Agent may agree in its sole discretion), Domestic Subsidiaries that are not Guarantors solely because they do not meet the thresholds set forth in the preceding clause (a) or (b) comprise in the aggregate more than (when taken together with the Total Assets of the Restricted Subsidiaries of such Domestic Subsidiaries at the last day of the most recent Test Period) 7.5% of Total Assets of the Borrower and the Restricted Subsidiaries that are Domestic Subsidiaries as of the end of

the most recently ended Test Period or more than (when taken together with the gross revenues of the Restricted Subsidiaries of such Domestic Subsidiaries for such Test Period) 7.5% of the consolidated gross revenues of the Borrower and the Restricted Subsidiaries that are Domestic Subsidiaries for such Test Period, then the Borrower shall, not later than sixty (60) days after the date by which financial statements for such Test Period were required to be delivered pursuant to this Agreement (or such longer period as the Administrative Agent may agree in its reasonable discretion), (i) designate in writing to the Administrative Agent one or more of such Domestic Subsidiaries that are Restricted Subsidiaries as "Material Domestic Subsidiaries" to the extent required such that the foregoing condition ceases to be true and (ii) comply with the provisions of Section 6.11 with respect to any such Subsidiaries. At all times prior to the delivery of the aforementioned financial statements, such determinations shall be made based on the Pro Forma Financial Statements.

"**Material Foreign Subsidiary**" means, as of the Closing Date and thereafter at any date of determination, each of the Borrower's Foreign Subsidiaries that are Restricted Subsidiaries (a) whose Total Assets at the last day of the most recent Test Period (when taken together with the Total Assets of the Restricted Subsidiaries of such Foreign Subsidiary at the last day of the most recent Test Period) were equal to or greater than 5.0% of Total Assets of the Restricted Subsidiaries that are Foreign Subsidiaries at such date or (b) whose gross revenues for such Test Period (when taken together with the revenues of the Restricted Subsidiaries of such Foreign Subsidiary for such Test Period) were equal to or greater than 5.0% of the consolidated gross revenues of the Restricted Subsidiaries that are Foreign Subsidiaries for such Test Period, in each case determined in accordance with GAAP; *provided* that if at any time and from time to time after the date which is 30 days after the Closing Date (or such longer period as the Administrative Agent may agree in its sole discretion), Foreign Subsidiaries that are not Material Foreign Subsidiaries comprise in the aggregate more than (when taken together with the Total Assets of the Restricted Subsidiaries of such Foreign Subsidiaries at the last day of the most recent Test Period) 7.5% of Total Assets of the Restricted Subsidiaries that are Foreign Subsidiaries as of the end of the most recently ended Test Period or more than (when taken together with the gross revenues of the Restricted Subsidiaries of such Foreign Subsidiaries for such Test Period) 7.5% of the consolidated gross revenues of the Restricted Subsidiaries that are Foreign Subsidiaries for such Test Period, then the Borrower shall, not later than sixty (60) days after the date by which financial statements for such Test Period were required to be delivered pursuant to this Agreement (or such longer period as the Administrative Agent may agree in its reasonable discretion), designate in writing to the Administrative Agent one or more of such Foreign Subsidiaries that are Restricted Subsidiaries as "Material Foreign Subsidiaries" to the extent required such that the foregoing condition ceases to be true. At all times prior to the delivery of the aforementioned financial statements, such determinations shall be made based on the Pro Forma Financial Statements.

"**Material Real Property**" means any fee-owned real property located in the United States and owned by any Loan Party (i) with a fair market value in excess of $7.5 million on the Closing Date (if owned by a Loan Party on the Closing Date) or at the time of acquisition (if acquired by a Loan Party after the Closing Date) and (ii) which is improved with a facility owned by any Loan Party that is open for commercial operations; *provided* that for the avoidance of doubt, Material Real Property will not include any Excluded Assets.

"**Material Subsidiary**" means any Material Domestic Subsidiary or any Material Foreign Subsidiary.

"**Maturity Date**" means (i) with respect to the Closing Date Term Loans other than the 2021 Refinancing Term Loans, in each case that have not been extended pursuant to Section 2.16, the date that is seven years after the Closing Date, (ii) with respect to the 2021 Refinancing Term Loans, December 15, 2024; *provided* that if, on March 16, 2023 or any subsequent date (such date, the "**2021 Term Facility Trigger Date**"), Senior Notes in an aggregate principal amount equal to or greater than $100,000,000 remain outstanding, the Maturity Date with respect to the 2021 Refinancing Term Loans shall be such 2021 Term Facility Trigger Date, (iii) with respect to the Revolving Loans ~~(x)~~ under ~~the Original Initial Revolving Facility, the date that is five years after the Closing Date and (y) under~~ the 2017 Initial Revolving Facility, August 15, 2022; *provided* that if, on March 10, 2022 or any subsequent date (such date, the "**2017 Initial Revolving Facility Trigger Date**"), the Maturity Date with respect to the Closing Date Term Loans is not March 10, 2023 or a later date, the Maturity Date with respect to the Loans under the 2017 Initial Revolving Facility shall be such 2017 Initial Revolving Facility Trigger Date, (~~iii~~iv) with respect to the Revolving Loans under the 2021 Initial Revolving Facility, September 16, 2024; *provided* that if, on

December 15, 2022 or any subsequent date (such date, the "**2021 Initial Revolving Facility Trigger Date**"), Senior Notes in an aggregate principal amount equal to or greater than $100,000,000 remain outstanding, the Maturity Date with respect to the 2021 Initial Revolving Facility shall be such 2021 Initial Revolving Facility Trigger Date, (v) with respect to any tranche of Extended Term Loans or Extended Revolving Commitments, the final maturity date as specified in the applicable Extension Amendment, (~~iv~~vi) with respect to any Refinancing Term Loans or Refinancing Revolving Loans, the final maturity date as specified in the applicable Refinancing Amendment and (~~v~~vii) with respect to any Incremental Term Loans, the final maturity date as specified in the applicable Incremental Amendment; *provided* that in each case, if such day is not a Business Day, the applicable Maturity Date shall be the Business Day immediately succeeding such day.

"**Maximum Rate**" has the meaning specified in Section 10.11.

"**Merger**" has the meaning specified in the preliminary statements to this Agreement.

"**Mizuho**" means Mizuho Bank, Ltd.

"**Moody's**" means Moody's Investors Service, Inc. and any successor to its rating agency business.

" **Mortgage Collateral Trustee**" means with respect to any Material Real Property, a single collateral agent appointed by the Collateral Agent and the Secured Notes Collateral Agent (and any additional debt representative for any Additional Obligations (as defined in the Amendment No. 8 Intercreditor Agreement, as applicable) to hold the Mortgage for all Obligations and other such obligations.

"**Mortgage Policies**" has the meaning specified in Section 6.11(2)(b)(ii).

"**Mortgaged Properties**" has the meaning specified in paragraph (5) of the definition of "Collateral and Guarantee Requirement."

"**Mortgages**" means collectively, the deeds of trust, trust deeds, hypothecs, deeds to secure debt and mortgages made by the Loan Parties in favor or for the benefit of the Collateral Agent (or a Mortgage Collateral Trustee, if applicable) for the benefit of the Secured Parties in form and substance reasonably satisfactory to the Collateral Agent, including such modifications as may be required by local laws, pursuant to Section 6.13(2) and any other deeds of trust, trust deeds, hypothecs, deeds to secure debt or mortgages executed and delivered pursuant to Sections 6.11.

"**Multiemployer Plan**" means any multiemployer plan as defined in Section 4001(a)(3) of ERISA and subject to Title IV of ERISA, to which any Loan Party or any of their respective ERISA Affiliates makes or is obligated to make contributions, or during the preceding five plan years, has made or been obligated to make contributions.

"**Net Income**" means, with respect to any Person, the net income (loss) of such Person, determined in accordance with GAAP and before any reduction in respect of Preferred Stock dividends.

"**Net Proceeds**" means:

(1) with respect to any Asset Sale or any Casualty Event, the aggregate Cash Equivalent proceeds received by the Borrower or any Restricted Subsidiary in respect of any Asset Sale or Casualty Event, including any Cash Equivalents received upon the sale or other disposition of any Designated Non-Cash Consideration received in any Asset Sale, net of the costs relating to such Asset Sale or Casualty Event and the sale or disposition of such Designated Non-Cash Consideration, including legal, accounting and investment banking fees, payments made in order to obtain a necessary consent or required by applicable law, brokerage and sales commissions, all dividends, distributions or other payments required to be made to minority interest holders in Restricted Subsidiaries as a result of any such Asset Sale or Casualty Event by a Restricted Subsidiary, the amount of any purchase price or similar adjustment claimed

by any Person to be owed by the Borrower or any Restricted Subsidiary, until such time as such claim will have been settled or otherwise finally resolved, or paid or payable by the Borrower or any Restricted Subsidiary, in either case in respect of such Asset Sale or Casualty Event, any relocation expenses incurred as a result thereof, costs and expenses in connection with unwinding any Hedging Obligation in connection therewith, other fees and expenses, including title and recordation expenses, taxes paid or payable as a result thereof or any transactions occurring or deemed to occur to effectuate a payment under this Agreement, amounts required to be applied to the repayment of principal, premium, if any, and interest on Indebtedness (other than Subordinated Indebtedness) or amounts required to be applied to the repayments of Indebtedness secured by a Lien on such assets and required (other than required by Section 2.05(2)(b) to be paid as a result of such transaction and any deduction of appropriate amounts to be provided by the Borrower or any Restricted Subsidiary as a reserve in accordance with GAAP against any liabilities associated with the asset disposed of in such transaction and retained by the Borrower or any Restricted Subsidiary after such sale or other disposition thereof, including pension and other post-employment benefit liabilities and liabilities related to environmental matters or against any indemnification obligations associated with such transaction; *provided* that (a) subject to clause (b) below, no net cash proceeds calculated in accordance with the foregoing realized in a single transaction or series of related transactions shall constitute Net Proceeds unless such net cash proceeds shall exceed $10.0 million and (b) no such net cash proceeds shall constitute Net Proceeds under this clause (1) in any fiscal year until the aggregate amount of all such net cash proceeds in such fiscal year shall exceed $20.0 million (and thereafter only net cash proceeds in excess of such amount shall constitute Net Proceeds under this clause (1)); and

(2) (a) with respect to the incurrence or issuance of any Indebtedness by the Borrower or any Restricted Subsidiary or any Permitted Equity Issuance by the Borrower or any Parent Company, the excess, if any, of (i) the sum of the cash and Cash Equivalents received in connection with such incurrence or issuance over (ii) all taxes paid or reasonably estimated to be payable, and all fees (including investment banking fees, attorneys' fees, accountants' fees, underwriting fees and discounts), commissions, costs and other out-of-pocket expenses and other customary expenses incurred, in each case by the Borrower or such Restricted Subsidiary in connection with such incurrence or issuance and (b) with respect to any Permitted Equity Issuance by any Parent Company, the amount of cash from such Permitted Equity Issuance contributed to the capital of the Borrower;

provided that "Net Proceeds" shall not include, or apply to, the proceeds of the sale component of any Sale-Leaseback Transaction, although proceeds from Specified Sale-Leaseback Transactions shall be governed by the definition of "Specified Sale-Leaseback Net Proceeds".

"**New Facility**" means each new fitness center, club, work or exercise facility opened by the Borrower or a Restricted Subsidiary that has been open for commercial operations for less than two full calendar years.

"**New Facility EBITDA Adjustment**" means, for each New Facility, only to the extent it is a positive number:

(1) the product of (a) Average Return on Invested Capital and (b) to the extent it is a positive number, the aggregate amount of capital expenditures invested in such New Facility as of the facility opening date, less the net cash proceeds received for such New Facility from any Sale-Leaseback Transactions on or prior to such determination date, *minus*

(2) the actual Adjusted EBITDA of such New Facility for such period.

~~"**New 2017 Refinancing Term Lender**" means, at any time, each Lender with a New 2017 Refinancing Term Loan Commitment or, after the New 2017 Refinancing Term Loans are made or issued, holding a New 2017 Refinancing Term Loan at such time.~~

~~"**New 2017 Refinancing Term Loan**" means the "New 2017 Refinancing Term Loans" as defined in, and made and/or converted in accordance with Amendment No. 5.~~

~~"**New 2017 Refinancing Term Loan Commitment**" means, for any New 2017 Refinancing Term Lender, the amount set forth opposite such New 2017 Refinancing Term Lender's name on Schedule A to Amendment No. 5. The initial aggregate amount of the New 2017 Refinancing Term Loan Commitments is $217,361,777.56.~~

"**Nomura**" means Nomura Securities International, Inc.

"**Non-Consenting Lender**" has the meaning specified in Section 3.07.

"**Non-Defaulting Lender**" means, at any time, a Lender that is not a Defaulting Lender.

"**Non-Expiring Credit Commitment**" has the meaning specified in Section 2.04(7).

"**Non-Excluded Taxes**" means all Taxes other than Excluded Taxes imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document.

"**Non-Extension Notice Date**" has the meaning specified in Section 2.03(2)(c).

"**Non-Loan Party**" means any Subsidiary of the Borrower that is not a Loan Party.

"**Non-Recourse Indebtedness**" means Indebtedness that is non-recourse to the Borrower and the Restricted Subsidiaries.

"**Note**" means a Term Note, Revolving Note or Swing Line Note, as the context may require.

"**Notice of Intent to Cure**" has the meaning specified in Section 6.02(1).

"**Obligations**" means all

(1) advances to, and debts, liabilities, obligations, covenants and duties of, any Loan Party arising under any Loan Document or otherwise with respect to any Loan or Letter of Credit, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Loan Party of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding,

(2) obligations (other than Excluded Swap Obligations) of any Loan Party arising under any Secured Hedge Agreement and

(3) Cash Management Obligations under each Secured Cash Management Agreement. Without limiting the generality of the foregoing, the Obligations of the Loan Parties under the Loan Documents (and any of their Subsidiaries to the extent they have obligations under the Loan Documents) include the obligation (including guarantee obligations) to pay principal, interest, reimbursement obligations, charges, expenses, fees (including Letter of Credit fees), Attorney Costs, indemnities and other amounts payable by any Loan Party under any Loan Document.

Notwithstanding the foregoing, (a) unless otherwise agreed to by the Borrower and any applicable Hedge Bank or Cash Management Bank, the obligations of Holdings, the Borrower or any Subsidiary under any Secured Hedge Agreement and under any Secured Cash Management Agreement shall be secured and guaranteed pursuant to the Collateral Documents and the Guaranty only to the extent that, and for so long as, the other Obligations are so secured and guaranteed and (b) any release of Collateral or Guarantors effected in the manner permitted by this Agreement and any other Loan Document shall not require the consent of the holders of Hedging Obligations under Secured Hedge Agreements or of the holders of Cash Management Obligations under Secured Cash Management Agreements.

"**Offered Amount**" has the meaning specified in Section 2.05(1)(e)(D)(1).

"**Offered Discount**" has the meaning specified in Section 2.05(1)(e)(D)(1).

"**Officer**" means the Chairman of the Board of Directors, the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer, the President, any Executive Vice President, Senior Vice President or Vice President, the Treasurer or the Secretary of the Borrower or any other Person, as the case may be.

"**Officer's Certificate**" means a certificate signed on behalf of a Person by an Officer of such Person.

"**OID**" means original issue discount.

"**Opinion of Counsel**" means a written opinion from legal counsel who is reasonably acceptable to the Administrative Agent. Counsel may be an employee of or counsel to the Borrower or the Administrative Agent.

"**ordinary course of business**" means activity conducted in the ordinary course of business of the Borrower and any Restricted Subsidiary, including the expansion, remodeling, acquisition, modernization, construction, improvement and repair of facilities (including fitness centers) operated, or expected to be operated, by the Borrower or a Restricted Subsidiary, and financing transactions in connection therewith, and will include Sale-Leaseback Transactions.

"**Organizational Documents**" means

(1) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction);

(2) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement; and

(3) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

~~**"Original Initial Revolving Commitment"** means, as to each Revolving Lender, its obligation to (1) make Revolving Loans under the Original Initial Revolving Facility to the Borrower pursuant to Section 2.01(2) and (2) purchase participations in L/C Obligations in respect of Letters of Credit and purchase participations in Swing Line Loans.~~

~~**"Original Initial Revolving Facility"** means the Revolving Facility made available by the Original Initial Revolving Lenders as of the Closing Date.~~

~~**"Original Initial Revolving Lender"** means, at any time, any Lender that has an Original Initial Revolving Commitment at such time.~~

~~**"Original Initial Revolving Loans"** means the Loans made available under the Original Initial Revolving Facility.~~

"**Other Applicable ECF**" means Excess Cash Flow or a comparable measure as determined in accordance with the documentation governing Other Applicable Indebtedness.

"**Other Applicable Indebtedness**" means the Secured Notes, Permitted Incremental Equivalent Debt and Credit Agreement Refinancing Indebtedness secured on a *pari passu* basis with the Obligations, together with Refinancing Indebtedness in respect of any of the foregoing that is secured on a *pari passu* basis with the Obligations.

"**Other Applicable Net Proceeds**" means Net Proceeds or a comparable measure as determined in accordance with the documentation governing Other Applicable Indebtedness.

"**Other Applicable Specified Sale-Leaseback Net Proceeds**" means Specified Sale-Leaseback Net Proceeds or a comparable measure as determined in accordance with the documentation governing Other Applicable Indebtedness.

"**Other Taxes**" means any and all present or future stamp or documentary Taxes, intangible, recording, filing, excise (that is not based on net income), property or similar Taxes arising from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document.

"**Outstanding Amount**" means (a) with respect to the Term Loans, Revolving Loans and Swing Line Loans on any date, the outstanding principal Dollar Amount thereof after giving effect to any borrowings and prepayments or repayments of Term Loans, Revolving Loans (including any refinancing of outstanding Unreimbursed Amounts under Letters of Credit or L/C Credit Extensions as a Revolving Borrowing) and Swing Line Loans, as the case may be, occurring on such date; and (b) with respect to any L/C Obligations on any date, the outstanding principal Dollar Amount thereof on such date after giving effect to any related L/C Credit Extension occurring on such date and any other changes thereto as of such date, including as a result of any reimbursements of outstanding Unreimbursed Amounts under related Letters of Credit (including any refinancing of outstanding Unreimbursed Amounts under related Letters of Credit or related L/C Credit Extensions as a Revolving Borrowing) or any reductions in the maximum amount available for drawing under related Letters of Credit taking effect on such date.

"**Overnight Rate**" means, for any day, (i) with respect to any amount denominated in Dollars, the greater of (a) the Federal Funds Rate and (b) an overnight rate determined by the Administrative Agent, an Issuing Bank or the Swing Line Lender, as applicable, in accordance with banking industry rules on interbank compensation and (ii) with respect to any amount denominated in any Available Currency other than Dollars, the rate of interest per annum at which overnight deposits in such Available Currency, in an amount approximately equal to the amount with respect to which such rate is being determined, would be offered for such day by a branch or Affiliate of the Administrative Agent in the applicable offshore interbank market for such Available Currency to major banks in such interbank market.

"**Parent Company**" means any Person so long as such Person directly or indirectly holds 100.0% of the total voting power of the Capital Stock of the Borrower, and at the time such Person acquired such voting power, no Person and no group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act or any successor provision), including any such group acting for the purpose of acquiring, holding or disposing of securities (within the meaning of Rule 13d-5(b)(1) under the Exchange Act) (other than any Permitted Holder), will have beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act, or any successor provision), directly or indirectly, of 50.0% or more of the total voting power of the Voting Stock of such Person.

"**Pari Passu Lien Debt**" has the meaning specified in clause (39) of the definition of "Permitted Liens".

"**Participant**" has the meaning specified in Section 10.07(d).

"**Participant Register**" has the meaning specified in Section 10.07(e).

"**Participating Lender**" has the meaning specified in Section 2.05(1)(e)(C)(2).

"**Participating Member State**" means each state so described in any EMU Legislation.

"**PBGC**" means the Pension Benefit Guaranty Corporation.

"**Pension Plan**" means any "employee pension benefit plan" (as such term is defined in Section 3(2) of ERISA), other than a Multiemployer Plan, that is subject to Title IV of ERISA and is sponsored or maintained by any Loan Party or any of their respective ERISA Affiliates or to which any Loan Party or any of their respective ERISA Affiliates contributes or has an obligation to contribute, or in the case of a multiple employer or other plan described in Section 4064(a) of ERISA, has made contributions at any time in the preceding five plan years.

"**Perfection Certificate**" has the meaning specified in the Security Agreement.

"**Permitted Acquisition**" has the meaning specified in clause (3) of the definition of "Permitted Investments."

"**Permitted Asset Swap**" means the substantially concurrent purchase and sale or exchange of Related Business Assets or a combination of Related Business Assets and cash or Cash Equivalents between the Borrower or any Restricted Subsidiary and another Person; *provided* that any cash or Cash Equivalents received must be applied in accordance with Section 2.05(2)(b)(i).

"**Permitted Bond Hedge Transaction**" means any call or capped call option (or substantively equivalent derivative transaction) on the Borrower's common stock purchased by the Borrower in connection with the issuance of any Convertible Indebtedness; *provided* that the purchase price for such Permitted Bond Hedge Transaction, less the proceeds received by the Borrower from the sale of any related Permitted Warrant Transaction, does not exceed the net proceeds received by the Borrower from the sale of such Convertible Indebtedness issued in connection with the Permitted Bond Hedge Transaction.

"**Permitted Convertible Indebtedness Call Transaction**" means any Permitted Bond Hedge Transaction and any Permitted Warrant Transaction.

"**Permitted Equal Priority Refinancing Debt**" means any Credit Agreement Refinancing Indebtedness that is secured on a *pari passu* basis with the Closing Date Loans and the ~~Closing Date~~2021 Initial Revolving Facility.

"**Permitted Equity Issuance**" means any sale or issuance of any Qualified Equity Interests of the Borrower or any Parent Company.

"**Permitted Holder**" means (1) any of the Investors, Co-Investors and Management Stockholders and any group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act) of which any of the foregoing are members; *provided* that in the case of such group and without giving effect to the existence of such group or any other group, such Investors, Co-Investors and Management Stockholders, collectively, have beneficial ownership of more than 50.0% of the total voting power of the Voting Stock of the Borrower or any Permitted Parent, (2) any Person acting in the capacity of an underwriter (solely to the extent that and for so long as such Person is acting in such capacity) in connection with a public or private offering of Capital Stock of the Borrower or any Permitted Parent.

"**Permitted Incremental Amount**" means the sum of:

(1) (a) the greater of (i) $400,000,000 and (ii) the Borrower's Run-Rate Adjusted EBITDA for the most recently ended Test Period, ~~*minus*~~*plus* (b) amounts incurred utilizing the Fixed Incremental

Amount prior to the Amendment No. 8 Effective Date; provided that with respect to the preceding clause(a) and this clause (b), such amounts would not result in, with regard to Indebtedness secured on a pari *passu* basis with the Closing Date Term Loans, the Borrower's First Lien Net Leverage Ratio exceeding 4.75 to 1.00 (determined as of the most recently ended Test Period and on a *pro forma* basis in accordance with Section 1.07 (assuming in the case of any Incremental Revolving Commitments, a full drawing of such Revolving Commitments) and including a *pro forma* application of the net proceeds therefrom (excluding for netting purposes the cash proceeds of any then proposed Ratio Amount Indebtedness), as if the additional Indebtedness incurred pursuant to the preceding clause (a) or this clause (b), as applicable, had been incurred and the application of the proceeds therefrom has occurred at the beginning of such Test Period), *minus* (c) the aggregate amount of all Permitted Incremental Equivalent Debt ~~previously~~ incurred in reliance on this clause (1), *plus* (~~c~~d) the aggregate principal amount of any prepayments of Term Loans (in the case of Term Loans consisting of Incremental Term Loans (or any Refinancing thereof) solely to the extent incurred in reliance on this clause (1)) made pursuant to Section 2.05(1) and voluntary prepayments of Permitted Incremental Equivalent Debt incurred in reliance on this clause (1), in each case to the extent not funded with the proceeds of Funded Debt (the "**Fixed Incremental Amount**" and Indebtedness incurred using the Fixed Incremental Amount, "**Fixed Incremental Amount Indebtedness**"), *plus*

(2) such additional amount (the "**Ratio Amount**" and Indebtedness incurred using the Ratio Amount, "**Ratio Amount Indebtedness**") that would not result in:

(a) with regard to Indebtedness secured on a *pari passu* basis with the Closing Date Term Loans, the Borrower's First Lien Net Leverage Ratio exceeding 4.00 to 1.00,

(b) with regard to Indebtedness secured on a junior lien basis to the Closing Date Term Loans, the Borrower's Total Net Leverage Ratio exceeding 5.10 to 1.00 or

(c) with regard to Indebtedness that is unsecured, the Borrower's (i) Total Net Leverage Ratio exceeding 5.10 to 1.00 or (ii) Fixed Charge Coverage Ratio being less than 2.00 to 1.00;

in each case, determined as of the most recently ended Test Period and on a *pro forma* basis in accordance with Section 1.07 (assuming in the case of any Incremental Revolving Commitments, a full drawing of such Revolving Commitments) and including a *pro forma* application of the net proceeds therefrom (excluding for netting purposes the cash proceeds of any then proposed Ratio Amount Indebtedness), as if the additional Indebtedness incurred pursuant to this clause (2) had been incurred and the application of the proceeds therefrom has occurred at the beginning of such Test Period.

For the avoidance of doubt, if the Borrower incurs Fixed Incremental Amount Indebtedness on the same date that it incurs Ratio Amount Indebtedness, then the First Lien Net Leverage Ratio will be calculated without regard to any incurrence of Fixed Incremental Amount Indebtedness.

"**Permitted Incremental Equivalent Debt**" means secured or unsecured Indebtedness of the Borrower and any Guarantors in the form of loans or one or more series of notes; *provided* that:

(1) the aggregate principal amount of all Permitted Incremental Equivalent Debt on any date such Indebtedness is incurred or issued, after giving effect to such incurrence or issuance, shall not, together with any Incremental Facilities then outstanding (assuming in the case of any Incremental Revolving Commitments, a full drawing of such Revolving Commitments) (without netting the cash proceeds thereof), exceed the Permitted Incremental Amount;

(2) such Permitted Incremental Equivalent Debt (a) to the extent secured on a *pari passu* basis with the Closing Date Term Loans, will not have a final maturity date prior to the Maturity Date of the Closing Date Term Loans and (b) to the extent secured on a junior lien basis to the Closing Date Term Loans or unsecured, (x) will not have a final maturity date and (y) will not provide for any scheduled amortization, prior to the date that is 91 days after the Maturity Date of the Closing Date Term Loans (other

(5) any Investment existing on the ~~Closing~~Amendment No. 8 Effective ~~Date or made pursuant to binding commitments in effect on the Closing~~Amendment No. 8 Effective ~~Date or an Investment consisting of any extension, modification, replacement, renewal or reinvestment of any Investment or binding commitment existing on the Closing~~Amendment No. 8 Effective ~~Date; *provided* that the amount of any such Investment or binding commitment may be increased, extended, modified, replaced, reinvested or renewed, (a) as required by the terms of such Investment or binding commitment as in existence on the Closing~~Amendment No. 8 Effective ~~Date (including as a result of the accrual or accretion of interest or original issue discount or the issuance of pay-in-kind securities) or (b) as otherwise permitted hereunder;~~

(6) any Investment acquired by the Borrower or any Restricted Subsidiary:

(a) in exchange for any other Investment, accounts receivable or indorsements for collection or deposit held by the Borrower or any Restricted Subsidiary in connection with or as a result of a bankruptcy, workout, reorganization or recapitalization of, or settlement of delinquent accounts and disputes with or judgments against, the issuer of such other Investment or accounts receivable (including any trade creditor or customer);

(b) in satisfaction of judgments against other Persons;

(c) as a result of a foreclosure by the Borrower or any Restricted Subsidiary with respect to any secured Investment or other transfer of title with respect to any secured Investment in default; or

(d) as a result of the settlement, compromise or resolution of (i) litigation, arbitration or other disputes or (ii) obligations of trade creditors or customers that were incurred in the ordinary course of business or consistent with industry practice of the Borrower or any Restricted Subsidiary, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer;

(7) Hedging Obligations permitted under Section 7.02(b)(10);

(8) any Investment in a Similar Business taken together with all other Investments made pursuant to this clause (8) that are at that time outstanding not to exceed the greater of (a) $75.0 million and (b) an amount equal to the Equivalent Percentage of the amount set forth in clause (a) multiplied by TTM Run-Rate Adjusted EBITDA of the Borrower for the most recently ended Test Period on the date of such Investment (with the amount of each Investment being measured at the time made and without giving effect to subsequent changes in value, but subject to adjustment as set forth in the definition of "Investment");

(9) Investments the payment for which consists of Equity Interests (other than Disqualified Stock) of the Borrower or any Parent Company; *provided* that such Equity Interests will not increase the amount available for Restricted Payments under clause (3) of Section 7.05(a);

(10) (a) guarantees of Indebtedness permitted under Section 7.02, performance guarantees and Contingent Obligations incurred in the ordinary course of business or consistent with industry practice, and (b) the creation of liens on the assets of the Borrower or any Restricted Subsidiary in compliance with Section 7.01;

(11) any transaction to the extent it constitutes an Investment that is permitted by and made in accordance with the provisions of Section 7.07(b) (except transactions described in clauses (2), (5), (9), (15) or (22) of such Section);

adequate reserves with respect thereto are maintained on the books of such Person in accordance with GAAP;

(4) Liens for taxes, assessments or other governmental charges not yet overdue for a period of more than thirty (30) days or not yet payable or not subject to penalties for nonpayment or which are being contested in good faith by appropriate actions if adequate reserves with respect thereto are maintained on the books of such Person in accordance with GAAP;

(5) Liens in favor of issuers of performance, surety, bid, indemnity, warranty, release, appeal or similar bonds, instruments or obligations or with respect to regulatory requirements or letters of credit or bankers acceptance issued, and completion guarantees provided for, in each ease, issued pursuant to the request of and for the account of such Person in the ordinary course of its business or consistent with past practice or industry practice;

(6) survey exceptions, encumbrances, ground leases, easements, restrictions, protrusions, encroachments or reservations of, or rights of others for, licenses, rights-of-way, servitudes, sewers, electric lines, drains, telegraph, telephone and cable television lines and other similar purposes, or zoning, building codes or other restrictions (including minor defects or irregularities in title and similar encumbrances) as to the use of real properties or Liens incidental to the conduct of the business of such Person or to the ownership of its properties that were not incurred in connection with Indebtedness and that do not in the aggregate materially impair their use in the operation of the business of such Person and exceptions on title policies insuring liens granted on Mortgaged Properties;

(7) Liens securing obligations in respect of Indebtedness, Disqualified Stock or Preferred Stock permitted to be incurred pursuant to clause (4), (6), (12), (13), (15), (23) or (25) of Section 7.02(b); *provided* that:

(a) Liens securing obligations relating to any Indebtedness, Disqualified Stock or Preferred Stock permitted to be incurred pursuant to such clause (13) relate only to obligations relating to Refinancing Indebtedness that is secured by Liens on the same assets as the assets securing the Refinanced Debt (as defined in the definition of Refinancing Indebtedness), *plus* improvements, accessions, proceeds or dividends or distributions in respect thereof and after-acquired property, or serves to refund, refinance, extend, replace, renew or defease Indebtedness, Disqualified Stock or Preferred Stock incurred under such clause (4), (12) or (13) of Section 7.02(b);

(b) Liens securing obligations relating to Indebtedness or Disqualified Stock permitted to be incurred pursuant to such clause (23) extend only to the assets of Subsidiaries that are not Guarantors;

(c) Liens securing obligations in respect of Indebtedness, Disqualified Stock or Preferred Stock permitted to be incurred pursuant to such clause (4) extend only to the assets so purchased, replaced, leased or improved and proceeds and products thereof; *provided further* that individual financings of assets provided by a counterparty may be cross-collateralized to other financings of assets provided by such counterparty; and

(d) If any such Liens (i) secure Indebtedness for borrowed money incurred pursuant to such clause (12) in a principal amount in excess of the Threshold Amount and (ii) are secured by the Collateral on a *pari passu* basis with, or junior basis to, the Liens that secure the Closing Date Loans and the Closing Date Revolving Facility, they will be subject to an Equal Priority Intercreditor Agreement or a Junior Lien Intercreditor Agreement, as applicable.

(8) Liens existing, or provided for under binding contracts existing, on the ~~Closing~~Amendment No. 8 Effective Date;

(9) Liens on property or ~~shares of stock~~Equity Interests or other assets of a Person at the time such Person becomes a Subsidiary; *provided* that such Liens are not created or incurred in connection with, or in contemplation of, such other Person becoming such a Subsidiary; *provided further* that such Liens are limited to all or part of the same property or assets ~~(~~*plus* improvements, accessions, proceeds or dividends or distributions in respect thereof and after-acquired property) that secured the obligations to which such Liens relate;

(10) Liens on property or other assets at the time the Borrower or a Restricted Subsidiary acquired the property or such other assets, including any acquisition by means of a merger, amalgamation or consolidation with or into the Borrower or any Restricted Subsidiary; *provided* that such Liens are not created or incurred in connection with, or in contemplation of, such acquisition, amalgamation, merger or consolidation; *provided further* that such Liens are limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof and after acquired-property) that secured the obligations to which such Liens relate;

(11) Liens securing obligations in respect of Indebtedness or other obligations of a Restricted Subsidiary owing to the Borrower or another Restricted Subsidiary permitted to be incurred in accordance with Section 7.02;

(12) Liens securing (x) Hedging Obligations and (y) obligations in respect of Cash Management Services;

(13) Liens on specific items of inventory or other goods and proceeds of any Person securing such Person's accounts payable or similar obligations in respect of bankers' acceptances or letters of credit issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(14) leases, subleases, licenses or sublicenses (or other agreement under which the Borrower or any Restricted Subsidiary has granted rights to end users to access and use the Borrower's or any Restricted Subsidiary's facilities, products, technologies or services) that do not materially interfere with the business of the Borrower and its Restricted Subsidiaries, taken as a whole, and the customary rights reserved or vested in any Person by the terms of any lease, sublease, license, sublicense, grant or permit, or to require annual or periodic payments as a condition to the continuance thereof;

(15) Liens arising from Uniform Commercial Code (or equivalent statutes) financing statement filings regarding operating leases, consignments or accounts entered into by the Borrower and its Restricted Subsidiaries in the ordinary course of business or consistent with industry practice or purported Liens evidenced by the filing of precautionary Uniform Commercial Code (or equivalent statutes) financing statements or similar public filings;

(16) Liens in favor of the Borrower or any Guarantor;

(17) Liens on equipment or vehicles of the Borrower or any Restricted Subsidiary granted in the ordinary course of business or consistent with industry practice;

(18) Liens on accounts receivable, Securitization Assets and related assets incurred in connection with a Qualified Securitization Facility;

(19) Liens to secure any modification, refinancing, refunding, extension, renewal or replacement (or successive modification, refinancing, refunding, extensions, renewals or replacements) as a whole, or in part, of any Indebtedness, Disqualified Stock or Preferred Stock secured by any Lien referred to in clauses (6), (7), (8), (9) or (41) of this definition; *provided* that: (a) such new Lien will be limited to all or part of the same property (plus improvements, accessions, proceeds or dividends or distributions in respect thereof and after-acquired property) that secured the original Lien (plus improvements and accessions on such property) and proceeds and products thereof and (b) the

Indebtedness, Disqualified Stock or Preferred Stock secured by such Lien at such time is not increased to any amount greater than the sum of (i) the outstanding principal amount or, if greater, committed amount of the Indebtedness described under such clauses (6), (7), (8), (9) or (41) at the time the original Lien became a Permitted Lien hereunder, *plus* (ii) an amount necessary to pay any fees and expenses (including original issue discount, upfront fees, defeasance costs, underwriting discounts or similar fees) and premiums (including tender premiums and accrued and unpaid interest), related to such refinancing, refunding, extension, renewal or replacement;

(20) deposits made or other security provided to secure liability to insurance brokers, carriers, underwriters or self-insurance arrangements, including Liens on insurance policies and the proceeds thereof securing the financing of the premiums with respect thereto;

(21) other Liens securing obligations in an aggregate principal amount at any one time outstanding not to exceed the greater of (a) $75.0 million and (b) an amount equal to the Equivalent Percentage of the amount set forth in clause (a) multiplied by TTM Run-Rate Adjusted EBITDA of the Borrower for the most recently ended Test Period on the date of incurrence; *provided*, that if such Liens ~~secured~~secure Indebtedness for borrowed money and are secured by the Collateral on a*pari passu* basis with, or junior basis to, the Liens that secure the Closing Date Loans and the Closing Date Revolving Facility, they will be subject to an Equal Priority Intercreditor Agreement or Junior Lien Intercreditor Agreement, as applicable;

(22) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(23) (a) the prior rights of consignees and their lenders under consignment arrangements entered into in the ordinary course of business or consistent with industry practice, (b) Liens arising out of conditional sale, title retention or similar arrangements for the sale of goods in the ordinary course of business or consistent with industry practice and (c) Liens arising by operation of law under Article 2 of the Uniform Commercial Code;

(24) Liens securing judgments for the payment of money not constituting an Event of Default under Section 8.01(7);

(25) Liens (a) of a collection bank arising under Section 4-208 or 4-210 of the Uniform Commercial Code on items in the course of collection, (b) attaching to commodity trading accounts or other brokerage accounts incurred in the ordinary course of business or consistent with industry practice and (c) in favor of banking or other institutions or other electronic payment service providers arising as a matter of law or under general terms and conditions encumbering deposits or margin deposits or other funds maintained with such institution (including the right of setoff) and that are within the general parameters customary in the banking industry;

(26) Liens deemed to exist in connection with Investments in repurchase agreements permitted under this Agreement;*provided* that such Liens do not extend to assets other than those that are subject to such repurchase agreements;

(27) Liens that are contractual rights of setoff (a) relating to the establishment of depository relations with banks or other deposit-taking financial institutions or other electronic payment service providers and not given in connection with the issuance of Indebtedness, (b) relating to pooled deposit or sweep accounts to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business or consistent with industry practice of the Borrower or any Restricted Subsidiary or (c) relating to purchase orders and other agreements entered into with customers of the Borrower or any Restricted Subsidiary in the ordinary course of business or consistent with industry practice;

(28) Liens on cash proceeds (as defined in Article 9 of the Uniform Commercial Code) of assets sold that were subject to a Lien permitted hereunder;

(29) any encumbrance or restriction (including put, call arrangements, tag, drag, right of first refusal and similar rights) with respect to capital stock of any joint venture or similar arrangement pursuant to any joint venture or similar agreement;

(30) Liens (a) on cash advances or cash earnest money deposits in favor of the seller of any property to be acquired in an Investment permitted under this Agreement to be applied against the purchase price for such Investment and (b) consisting of a letter of intent or an agreement to sell, transfer, lease or otherwise dispose of any property in a transaction ~~permitted~~not prohibited under Section 7.04 in each case, solely to the extent such Investment or sale, disposition, transfer or lease, as the case may be, would have been permitted on the date of the creation of such Lien;

(31) ground leases, subleases, licenses or sublicenses in respect of real property on which facilities owned or leased by the Borrower or any of its Subsidiaries are located;

(32) Liens in connection with any Sale-Leaseback Transaction(s);

(33) Liens on Capital Stock or other securities of an Unrestricted Subsidiary;

(34) any interest or title of a lessor, sublessor, licensor or sublicensor or secured by a lessor's, sublessor's, licensor's or sublicensor's interest under leases or licenses entered into by the Borrower or any of the Restricted Subsidiaries in the ordinary course of business or consistent with industry practice;

(35) deposits of cash with the owner or lessor of premises leased and operated by the Borrower or any of its Subsidiaries in the ordinary course of business or consistent with industry practice of the Borrower and such Subsidiary to secure the performance of the Borrower's or such Subsidiary's obligations under the terms of the lease for such premises;

(36) rights of set-off, banker's liens, netting arrangements and other Liens arising by operation of law or by the terms of documents of banks or other financial institutions in relation to the maintenance of administration of deposit accounts, securities accounts, cash management arrangements or in connection with the issuance of letters of credit, bank guarantees or other similar instruments;

(37) Liens on cash and Permitted Investments used to satisfy or discharge Indebtedness; *provided* that such satisfaction or discharge is permitted under this Agreement;

(38) receipt of progress payments and advances from customers in the ordinary course of business or consistent with industry practice to the extent the same creates a Lien on the related inventory and proceeds thereof;

(39) Liens on all or any portion of the Collateral (but no other assets) to secure obligations in respect of (a) Indebtedness permitted to be incurred pursuant to Section 7.02; *provided* that after giving *pro forma* effect to the incurrence of the then proposed Indebtedness (and without netting any cash received from the incurrence of such Indebtedness) (or, in the case of Indebtedness under Designated Revolving Commitments, on the date such Designated Revolving Commitments are established after giving *pro forma* effect to the incurrence of the entire committed amount of the Indebtedness thereunder (but without netting any cash proceeds thereof), in which case such committed amount under such Designated Revolving Commitments may thereafter be borrowed and reborrowed, in whole or in part, from time to time, without further compliance with this proviso), (i) if such Indebtedness is secured on a (x) *pari passu* basis with the Liens that secure the Closing Date Loans and the Closing Date Revolving Facility ("**Pari Passu Lien Debt**"), the First Lien Net Leverage Ratio would be no greater than 4.00 to 1.00 or (y) junior basis to the Liens that secure the Loans ("**Junior Lien Debt**"), the Total Net Leverage Ratio would be no greater than 5.10 to 1.00, (ii) such Liens are in each case subject to an Equal Priority

Intercreditor Agreement or Junior Lien Intercreditor Agreement, as applicable, and (iii) if such Liens secure term loans that are secured on a *pari passu* basis with the Closing Date Term Loans, then the Borrower shall comply with the "most favored nation" pricing provisions of Section 2.14(8) as if such Indebtedness was an Incremental Facility incurred pursuant to Section 2.14 and (b) any Refinancing Indebtedness in respect of Pari Passu Lien Debt or Junior Lien Debt (but subject to the foregoing subclause (iii));

(40) agreements to subordinate any interest of the Borrower or any Restricted Subsidiary in any accounts receivable or other proceeds arising from inventory consigned by the Borrower or any Restricted Subsidiary pursuant to an agreement entered into in the ordinary course of business or consistent with industry practice;

(41) Liens securing Existing Mortgage Debt and Liens arising pursuant to Section 107(l) of the Comprehensive Environmental Response, Compensation and Liability Act or similar provision of any Environmental Law;

(42) Liens disclosed by the title insurance policies delivered on or prior to the ~~Closing~~Amendment No. 8 Effective Date and any replacement, extension or renewal of any such Lien (to the extent the Indebtedness and other obligations secured by such replacement, extension or renewal Liens are permitted by this Agreement); *provided* that such replacement, extension or renewal Liens do not cover any property other than the property that was subject to such Liens prior to such replacement, extension or renewal;

(43) rights reserved or vested in any Person by the terms of any lease, license, franchise, grant or permit held by the Borrower or any of its Restricted Subsidiaries or by a statutory provision, to terminate any such lease, license, franchise, grant or permit, or to require annual or periodic payments as a condition to the continuance thereof;

(44) restrictive covenants affecting the use to which real property may be put; *provided* that the covenants are complied with;

(45) security given to a public utility or any municipality or governmental authority when required by such utility or authority in connection with the operations of that Person in the ordinary course of business or consistent with industry practice;

(46) zoning by-laws and other land use restrictions, including site plan agreements, development agreements and contract zoning agreements; ~~and~~

(47) Liens on all or any portion of the Collateral (but no other assets) securing (i) Permitted Incremental Equivalent Debt, (ii) Permitted Equal Priority Refinancing Debt or (iii) Permitted Junior Priority Refinancing Debt, and, in each case, Liens securing any Refinancing Indebtedness in respect thereof~~.~~;

(48) Liens on fee-owned or ground leased real property that is not Material Real Property;

(49) Liens securing Indebtedness permitted under Section 7.02(b)(2)(y); provided that if such Liens are secured by the Collateral on a *pari passu* basis with, or junior basis to, the Liens that secure the Closing Date Loans and the 2021 Initial Revolving Facility, they will be subject to an Equal Priority Intercreditor Agreement or a Junior Lien Intercreditor Agreement, as applicable; and

(50) solely during the Covenant Modification Period, Liens securing Indebtedness permitted under Section 7.02(b)(31).

For purposes of determining compliance with this definition, (A) a Lien need not be incurred solely by reference to one category of Permitted Liens described in this definition, but is permitted to be incurred in

Revolving Loans of any Lender and any Letters of Credit issued or participations purchased therein by any Lender or any participations in any Swing Line Loans purchased by any Lender at any time a fraction (expressed as a percentage, carried out to the ninth decimal place), the numerator of which is the amount of the Revolving Exposure of that Lender and the denominator of which is the aggregate Revolving Exposure of all Lenders at such time; and (iii) with respect to all payments, computations and other matters relating to the Incremental Term Loans of any Lender at any time a fraction (expressed as a percentage, carried out to the ninth decimal place), the numerator of which is the amount of the Incremental Term Loan Exposure of such Lender at such time and the denominator of which is the aggregate Incremental Term Loan Exposure of all Lenders at such time.

"**Public Company Costs**" means the initial costs relating to establishing compliance with the Sarbanes-Oxley Act of 2002, as amended, and other expenses arising out of or incidental to the Borrower's or its Restricted Subsidiaries' initial establishment of compliance with the obligations of a reporting company, including costs, fees and expenses (including legal, accounting and other professional fees) relating to compliance with provisions of the Securities Act and the Exchange Act.

"**Public Lender**" means Lenders that do not wish to receive Private-Side Information.

"**Public-Side Information**" means (i) at any time prior to Holdings or any of its Subsidiaries becoming the issuer of any Traded Securities, information that is (a) of a type that would be required by applicable Law to be publicly disclosed in connection with an issuance by Holdings or any of its Subsidiaries of its debt or equity securities pursuant to a registered public offering made at such time or (b) not material to make an investment decision with respect to securities of Holdings or any of its Subsidiaries (for purposes of United States federal, state or other applicable securities laws), and (ii) at any time on or after Holdings or any of its Subsidiaries becoming the issuer of any Traded Securities, information that does not constitute material non-public information (within the meaning of United States federal, state or other applicable securities laws) with respect to Holdings or any of its Subsidiaries or any of their respective securities.

"**Purchase Money Obligations**" means any Indebtedness incurred to finance or refinance the acquisition, leasing, construction or improvement of property (real or personal) or assets (other than Capital Stock), and whether acquired through the direct acquisition of such property or assets, or otherwise.

" **QFC**" has the meaning assigned to the term "qualified financial contract" in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

"**QFC Credit Support**" has the meaning specified in Section 10.27.

"**Qualified ECP Guarantor**" means, in respect of any Swap Obligation, each Loan Party that has total assets exceeding $10.0 million at the time the relevant Guaranty or grant of the relevant security interest becomes effective with respect to such Swap Obligation or such other Person as constitutes an "eligible contract participant" under the Commodity Exchange Act or any regulations promulgated thereunder and can cause another Person to qualify as an "eligible contract participant" at such time by entering into a keepwell under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

"**Qualified Equity Interests**" means any Equity Interests that are not Disqualified Stock.

"**Qualified Holding Company Debt**" means unsecured Indebtedness of Holdings that

(1) is not subject to any Guarantee by any Subsidiary of Holdings (including the Borrower),

(2) will not mature prior to the date that is six (6) months after the Latest Maturity Date in effect on the date of issuance or incurrence thereof,

(3) has no scheduled amortization or scheduled payments of principal and is not subject to mandatory redemption, repurchase, prepayment or sinking fund obligation (it being understood that such

London time, on such day for Dollar deposits with a term of three months, or if such rate is not available at such time for any reason, the rate per annum determined by the Administrative Agent to be the rate at which deposits in Dollars for delivery on such day with a term of three months would be offered by the Administrative Agent's London Branch to major banks in the London interbank eurodollar market at their request at approximately 11:00 a.m., London time, on such date and (y) with respect to the calculation of the All-In Yield in the case of Loans of an applicable Class that includes a Base Rate floor, the interest rate per annum equal to the highest of (a) the Federal Funds Rate *plus* 1/2 of 1%, (b) the rate of interest in effect for such day as publicly announced from time to time by the Administrative Agent as its "prime rate" and (c) the Eurodollar Rate on such day for an Interest Period of one (1) month *plus* 1.00% (or, if such day is not a Business Day, the immediately preceding Business Day).

" **Reference Time**" with respect to any determination of the Benchmark means (1) if the Benchmark is LIBOR, 11:00 a.m. (London time) on the day that is two London banking days preceding the date of such determination, and (2) if the Benchmark is not LIBOR, the time determined by the Administrative Agent in accordance with the Benchmark Replacement Conforming Changes.

"**Refinance**" has the meaning assigned in the definition of "Refinancing Indebtedness" and "**Refinancing**" and "**Refinanced**" have meanings correlative to the foregoing.

"**Refinanced Debt**" has the meaning assigned to such term in the definition of "Refinancing Indebtedness."

"**Refinancing Amendment**" means an amendment to this Agreement in form and substance reasonably satisfactory to the Administrative Agent and the Borrower executed by each of (a) the Borrower, (b) the Administrative Agent and (c) each Additional Lender and Lender that agrees to provide any portion of the Refinancing Loans or Refinancing Commitments being incurred or provided pursuant thereto, in accordance with Section 2.15.

"**Refinancing Commitments**" means any Refinancing Term Commitments or Refinancing Revolving Commitments.

"**Refinancing Indebtedness**" means (x) Indebtedness incurred by the Borrower or any Restricted Subsidiary, (y) Disqualified Stock issued by the Borrower or any Restricted Subsidiary or (z) Preferred Stock issued by any Restricted Subsidiary which, in each case, serves to extend, replace, refund, refinance, renew or defease ("**Refinance**") any Indebtedness, Disqualified Stock or Preferred Stock, including any Refinancing Indebtedness, so long as:

(1) (a) the principal amount (or accreted value, if applicable) of such new Indebtedness, the amount of such new Preferred Stock or the liquidation preference of such new Disqualified Stock does not exceed the principal amount of (or accreted value, if applicable), *plus* (b) any accrued and unpaid interest on, the Indebtedness, the amount of any accrued and unpaid dividends on, the Preferred Stock or the liquidation preference of, *plus* any accrued and unpaid dividends on, the Disqualified Stock being so extended, replaced, refunded, refinanced, renewed or defeased (such Indebtedness, Disqualified Stock or Preferred Stock, the "**Refinanced Debt**"), *plus* (c) the amount of any tender premium or penalty or premium required to be paid under the terms of the instrument or documents governing such Refinanced Debt and any defeasance costs and any fees and expenses (including original issue discount, upfront fees or similar fees) incurred in connection with the issuance of such new Indebtedness, Preferred Stock or Disqualified Stock or to Refinance such Refinanced Debt (such amounts in clause (b) and (c) the "**Incremental Amounts**");

(2) such Refinancing Indebtedness has a:

(a) Weighted Average Life to Maturity at the time such Refinancing Indebtedness is incurred that is not less than the remaining Weighted Average Life to Maturity of the applicable Refinanced Debt; and

"**Refinancing Term Loans**" means one or more Classes of Term Loans that result from a Refinancing Amendment.

"**Refunding Capital Stock**" has the meaning specified in Section 7.05(b)(2).

"**Register**" has the meaning specified in Section 10.07(c).

"**Registered Equivalent Notes**" means, with respect to any notes originally issued in a Rule 144A or other private placement transaction under the Securities Act, substantially identical notes (having the same Guarantees) issued in a dollar-for-dollar exchange therefor pursuant to an exchange offer registered with the SEC.

"**Rejection Notice**" has the meaning specified in Section 2.05(2)(g).

"**Related Business Assets**" means assets (other than Cash Equivalents) used or useful in a Similar Business;*provided* that any assets received by the Borrower or a Restricted Subsidiary in exchange for assets transferred by the Borrower or a Restricted Subsidiary will not be deemed to be Related Business Assets if they consist of securities of a Person, unless upon receipt of the securities of such Person, such Person is or would become a Restricted Subsidiary.

"**Related Indemnified Person**" of an Indemnitee means (1) any controlling Person or controlled Affiliate of such Indemnitee, (2) the respective directors, officers or employees of such Indemnitee or any of its controlling Persons or controlled Affiliates and (3) the respective agents of such Indemnitee or any of its controlling Persons or controlled Affiliates, in the case of this clause (3), acting at the instructions of such Indemnitee, controlling Person or such controlled Affiliate; *provided* that each reference to a controlled Affiliate or controlling Person in this definition pertains to a controlled Affiliate or controlling Person involved in the negotiation of this Agreement or the syndication of the Facilities. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise.

"**Related Person**" means, with respect to any Person, (a) any Affiliate of such Person and (b) the respective directors, officers, employees, agents and other representatives of such Person or any of its Affiliates.

"**Release**" means any release, spill, emission, discharge, deposit, disposal, leaking, pumping, pouring, dumping, emptying, injection or leaching into the Environment.

"**Relevant Governmental Body**" means the Board of Governors of the Federal Reserve System and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System and/or the Federal Reserve Bank of New York or any successor thereto.

"**Replaced Loans**" has the meaning specified in Section 10.01.

"**Replacement Loans**" has the meaning specified in Section 10.01.

"**Reportable Event**" means, with respect to any Pension Plan, any of the events set forth in Section 4043(c) of ERISA or the regulations issued thereunder, other than events for which the thirty (30) day notice period has been waived.

"**Repricing Transaction**" means (1) the incurrence by the Borrower of any Indebtedness (including any new or additional Term Loans under this Agreement, whether incurred directly or by way of the conversion of the ~~New 2017~~2021 Refinancing Term Loans into a new tranche of replacement Term Loans under this Agreement) (a) having an All-In Yield that is less than the All-In Yield applicable to the ~~New 2017~~2021 Refinancing Term Loans of the respective Type and (b) the proceeds of which are used to prepay (or, in the case of a conversion, deemed to prepay or replace), in whole or in part, the outstanding principal of the ~~New 2017~~2021 Refinancing Term Loans or (2) any effective reduction in the All-In Yield applicable to the ~~New 2017~~2021 Refinancing Term Loans

(e.g., by way of amendment, waiver or otherwise); provided that a Repricing Transaction shall not include (i) any event described in clause (1) or (2) above that is not consummated for the primary purpose of lowering the All-In Yield applicable to the ~~New 2017~~2021 Refinancing Term Loans (as determined in good faith by the Borrower), including any such event consummated in connection with a Change of Control, Qualifying IPO or Enterprise Transformative Event or (ii) any Sale-Leaseback Transaction.

"**Request for Credit Extension**" means (a) with respect to a Borrowing, conversion or continuation of Term Loans or Revolving Loans, a Committed Loan Notice, (b) with respect to an L/C Credit Extension, a L/C Application and (c) with respect to a Swing Line Loan, a Swing Line Loan Notice.

"**Required Facility Lenders**" means, as of any date of determination, with respect to one or more Facilities (other than any Revolving Facility), Lenders having more than 50% of the sum of the (a) aggregate principal amount of outstanding Loans under such Facility or Facilities and (b) aggregate unused Commitments under such Facility or Facilities; *provided* that (i) to the same extent specified in Section 10.07(i) with respect to determination of Required Lenders, the Loans of any Affiliated Lender shall in each case be excluded for purposes of making a determination of Required Facility Lenders unless the action in question affects such Affiliated Lender in a disproportionately adverse manner than its effect on the other Lenders and (ii) the portion of outstanding Loans and the unused Commitments of any such Facility, as applicable, held or deemed held by a Defaulting Lender shall be excluded for purposes of making a determination of Required Facility Lenders.

"**Required Lenders**" means, as of any date of determination, Lenders having more than 50% of the sum of the (a) aggregate Term Loan Exposure and (b) aggregate Revolving Exposure of all Lenders; *provided* that (i) the aggregate Term Loan Exposure and Revolving Exposure of or held by any Defaulting Lender shall be excluded for purposes of making a determination of the "Required Lenders" and (ii) any determination of Required Lenders shall be subject to the limitations set forth in Section 10.07(h) with respect to Affiliated Lenders.

"**Required Revolving Lenders**" means, as of any date of determination, Lenders having or holding more than 50% of the aggregate Revolving Exposure of all Lenders; *provided* that the Revolving Exposure of or held by any Defaulting Lender shall be excluded for purposes of making a determination of Required Revolving Lenders.

"**Responsible Officer**" means, with respect to a Person, the chief executive officer, chief operating officer, president, vice president, chief financial officer, treasurer or assistant treasurer or other similar officer or Person performing similar functions, of such Person. With respect to any document delivered by a Loan Party on the Closing Date, Responsible Officer includes any secretary or assistant secretary of such Loan Party. Any document delivered hereunder that is signed by a Responsible Officer of a Loan Party shall be conclusively presumed to have been authorized by all necessary corporate, partnership or other action on the part of such Loan Party and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Loan Party. Unless otherwise specified, all references herein to a "Responsible Officer" shall refer to a Responsible Officer of the Borrower.

"**Restricted Investment**" means any Investment other than any Permitted Investment(s).

"**Restricted Payment**" has the meaning specified in Section 7.05.

"**Restricted Subsidiary**" means, at any time, any direct or indirect Subsidiary of the Borrower (including any Foreign Subsidiary) that is not then an Unrestricted Subsidiary; *provided* that notwithstanding the foregoing, in no event will (i) any Securitization Subsidiary, or (ii) any special purpose vehicle that borrows mortgage debt secured by fitness centers or exercise facilities and has no other activities be considered a Restricted Subsidiary for purposes of Section 8.01(5) or (7); *provided further* that upon the occurrence of an Unrestricted Subsidiary ceasing to be an Unrestricted Subsidiary, such Subsidiary will be included in the definition of "Restricted Subsidiary" Wherever the term "Restricted Subsidiary" is used herein with respect to any Subsidiary of a referenced Person that is not the Borrower, then it will be construed to mean a Person that would be a Restricted Subsidiary of the Borrower on a *pro forma* basis following consummation of one or a series of related transactions involving such referenced Person and the Borrower (but which transactions may include a designation of a Subsidiary of such Person as an Unrestricted Subsidiary on a *pro forma* basis in accordance with this Agreement).

"**Revolving Borrowing**" means a borrowing consisting of simultaneous Revolving Loans of the same Type and, in the case of Eurodollar Rate Loans, having the same Interest Period, made by each of the Revolving Lenders pursuant to Section 2.01(2).

"**Revolving Commitment**" means, as to each Revolving Lender, its obligation to (1) make Revolving Loans to the Borrower pursuant to Section 2.01(2) and (2) purchase participations in L/C Obligations in respect of Letters of Credit and purchase participations in Swing Line Loans, in an aggregate principal amount at any one time outstanding not to exceed the amount specified (a) opposite such Lender's name on Schedule 2.01 under the caption (x) in the case of each ~~Original Initial Revolving Lender, "Original Initial Revolving Commitment" and (y) in the case of each~~ 2017 Initial Revolving Lender, "2017 Initial Revolving Commitment" and (y) in the case of each 2021 Initial Revolving Lender, "2021 Initial Revolving Commitment" or (b) in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement. For the avoidance of doubt, from and after the Amendment No. ~~6~~8 Effective Date, each ~~2017~~2021 Initial Revolving Lender's ~~Original~~2017 Initial Revolving Commitment (if any) shall terminate pursuant to Amendment No.~~6~~8. The aggregate Revolving Commitments of all Revolving Lenders as of the Amendment No. ~~6~~8 Effective Date is ~~$250.0 million~~357,925,000, as such amount may be adjusted from time to time in accordance with the terms of this Agreement.

"**Revolving Commitment Increase**" has the meaning specified in Section 2.14(1).

"**Revolving Exposure**" means, as to each Revolving Lender, the sum of the amount of the Outstanding Amount of such Revolving Lender's Revolving Loans and its Pro Rata Share or other applicable share provided for under this Agreement of the Dollar Amount of the L/C Obligations and the Swing Line Obligations at such time.

"**Revolving Facility**" means, at any time, the aggregate amount of the Revolving Commitments at such time, including (without duplication) the ~~Original Initial Revolving Commitments and the~~ 2017 Initial Revolving Commitments and the 2021 Initial Revolving Commitments.

"**Revolving Lender**" means, at any time, any Lender that has a Revolving Commitment at such time or, if Revolving Commitments have terminated, Revolving Exposure.

"**Revolving Loan**" has the meaning specified in Section 2.01(2) and includes Revolving Loans under (without duplication) the ~~Original Initial Revolving Facility and the~~ 2017 Initial Revolving Facility, the 2021 Initial Revolving Facility, Incremental Revolving Loans, Refinancing Revolving Loans and Loans made pursuant to Extended Revolving Commitments.

"**Revolving Note**" means a promissory note of the Borrower payable to any Revolving Lender or its registered assigns, in substantially the form of Exhibit B-2 hereto, evidencing the aggregate Indebtedness of the Borrower to such Revolving Lender resulting from the Revolving Loans made by such Revolving Lender.

"**Run-Rate Adjusted EBITDA**" means, with respect to any Person for any period, the Adjusted EBITDA of such Person and its Restricted Subsidiaries for such period increased by the Total New Facility Run- Rate Adjustment.

"**S&P**" means Standard & Poor's, a division of The McGraw-Hill Companies, Inc., and any successor to its rating agency business.

"**Sale-Leaseback Post-Closing Transaction**" means any Sale-Leaseback Transaction consummated after the Closing Date.

"**Sale-Leaseback Transaction**" means any arrangement providing for the leasing by the Borrower or any Restricted Subsidiary of any real or tangible personal property, which property has been or is to be sold or transferred by the Borrower or such Restricted Subsidiary to a third Person in contemplation of such leasing.

"**Same Day Funds**" means disbursements and payments in immediately available funds.

"**Sanctions**" has the meaning specified in Section 5.17.

"**SEC**" means the U.S. Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

"**Secured Cash Management Agreement**" means any Cash Management Agreement that is entered into by and between Holdings, the Borrower or any Restricted Subsidiary and a Cash Management Bank; and designated in writing by the Cash Management Bank and the Borrower to the Administrative Agent as a "Secured Cash Management Agreement."

"**Secured Hedge Agreement**" means any Hedge Agreement ~~with respect to Hedging Obligations permitted under Section 7.02~~ that is (a) entered into by and between any Loan Party or Restricted Subsidiary and any Hedge Bank and (b) designated in writing by the Hedge Bank and the Borrower to the Administrative Agent as a "Secured Hedge Agreement~~."~~" (it being understood that one notice with respect to a specified ISDA Master Agreement may designate all transactions thereunder as being a "Secured Hedge Agreement", without the need for separate notices for each individual transaction thereunder).

"**Secured Indebtedness**" means any Indebtedness of the Borrower or any Restricted Subsidiary secured by a Lien.

"**Secured Notes**" means the $925,000,000 5.75% senior secured notes of the Borrower due 2026.

"**Secured Notes Indenture**" means the Indenture for the Secured Notes, dated as of January 22, 2021, between the Borrower and Wilmington Savings Fund Society FSB, as trustee, as the same may be amended, modified, supplemented, replaced or refinanced to the extent not prohibited by this Agreement.

"**Secured Notes Collateral Agent**" means Wilmington Savings Fund Society FSB as collateral agent under the Secured Notes Indenture, together with its successors and assigns.

"**Secured Parties**" means, collectively, the Administrative Agent, the Collateral Agent, the Lenders, each Hedge Bank, each Cash Management Bank, each Supplemental Administrative Agent and each co-agent or sub-agent appointed by the Administrative Agent from time to time pursuant to Section 9.01(2) or 9.07.

"**Securities Act**" means the Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.

"**Securitization Assets**" means (a) the accounts receivable, royalty or other revenue streams and other rights to payment and other assets related thereto subject to a Qualified Securitization Facility and the proceeds thereof and (b) contract rights, lockbox accounts and records with respect to such accounts receivable and any other assets customarily transferred together with accounts receivable in a securitization financing.

"**Securitization Facility**" means any transaction or series of securitization financings that may be entered into by the Borrower or any Restricted Subsidiary pursuant to which the Borrower or any such Restricted Subsidiary may sell, convey or otherwise transfer, or may grant a security interest in, Securitization Assets to either (a) a Person that is not the Borrower or a Restricted Subsidiary or (b) a Securitization Subsidiary that in turn sells such Securitization Assets to a Person that is not the Borrower or a Restricted Subsidiary, or may grant a security interest in, any Securitization Assets of the Borrower or any of its Subsidiaries.

"Securitization Fees" means distributions or payments made directly or by means of discounts with respect to any participation interest issued or sold in connection with, and other fees and expenses (including reasonable fees and expenses of legal counsel) paid to a Person that is not a Securitization Subsidiary in connection with, any Qualified Securitization Facility.

"Securitization Subsidiary" means any Subsidiary formed for the purpose of, and that solely engages only in one or more Qualified Securitization Facilities and other activities reasonably related thereto.

"Security Agreement" means, collectively, the Pledge and Security Agreement executed by the Loan Parties and the Collateral Agent, substantially in the form of Exhibit F, together with supplements or joinders thereto executed and delivered pursuant to Section 6.11.

"Senior Notes" means the $450.0 million 8.500% senior unsecured notes of the Borrower due 2023.

"**Senior Notes Indenture**" means the Indenture for the Senior Notes, dated as of June 10, 2015, between the Borrower and Wilmington Savings Fund Society FSB, as trustee, as the same may be amended, modified, supplemented, replaced or refinanced to the extent not prohibited by this Agreement.

"Significant Subsidiary" means any Restricted Subsidiary that would be a "significant subsidiary" as defined in Article 1, Rule 1-02 of Regulation S-X of the SEC, as such regulation is in effect on the Closing Date.

"Similar Business" means (1) any business conducted or proposed to be conducted by the Borrower or any Restricted Subsidiary on the ~~Closing~~Amendment No. 8 Effective Date or (2) any business or other activities that are reasonably similar, ancillary, incidental, complementary or related to (including non-core incidental businesses acquired in connection with any Permitted Investment), or a reasonable extension, development or expansion of, the businesses that the Borrower and its Restricted Subsidiaries conduct or propose to conduct on the ~~Closing~~Amendment No. 8 Effective Date.

"SOFR" with respect to any Business Day, means the secured overnight financing rate published for such Business Day by the SOFR Administrator on the SOFR Administrator's Website on the immediately succeeding Business Day.

"SOFR Administrator" means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

"SOFR Administrator's Website" means the Federal Reserve Bank of New York's website, currently at http://www.newyorkfed.org, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

"Solicited Discount Proration" has the meaning specified in Section 2.05(1)(e)(D)(3).

"Solicited Discounted Prepayment Amount" has the meaning specified in Section 2.05(1)(e)(D)(1).

"Solicited Discounted Prepayment Notice" means a written notice of the Borrower of Solicited Discounted Prepayment Offers made pursuant to Section 2.05(1)(e)(D) substantially in the form of Exhibit L.

"Solicited Discounted Prepayment Offer" means the written offer by each Lender, substantially in the form ofExhibit O, submitted following the Administrative Agent's receipt of a Solicited Discounted Prepayment Notice.

(6) any Asset Sale (a) that results in a Restricted Subsidiary ceasing to be a Subsidiary of the Borrower or (b) of a business, business unit, line of business or division of the Borrower or a Restricted Subsidiary, in each case whether by merger, amalgamation, consolidation or otherwise,

(7) any operational changes identified by the Borrower that have been made by the Borrower or any Restricted Subsidiary during the Test Period,

(8) any borrowing of Incremental Loans or Permitted Incremental Equivalent Debt (or establishment of an Incremental Revolving Facility) or

(9) any other transaction that by the terms of this Agreement requires a financial ratio to be calculated on a*pro forma* basis.

"**Sterling**" means the lawful currency of the United Kingdom.

"**Submitted Amount**" has the meaning specified in Section 2.05(1)(e)(C)(1).

"**Submitted Discount**" has the meaning specified in Section 2.05(1)(e)(C)(1).

"**Subordinated Indebtedness**" means any Indebtedness of any Loan Party that by its terms is subordinated in right of payment to the Obligations of such Loan Party arising under the Loans or the Guaranty.

"**Subsidiary**" means, with respect to any Person:

(1) any corporation, association or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50.0% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, members of management or trustees thereof is at the time of determination owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof; and

(2) any partnership, joint venture, limited liability company or similar entity of which:

(a) more than 50.0% of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof whether in the form of membership, general, special or limited partnership or otherwise and

(b) such Person or any Restricted Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

Unless otherwise specified, all references herein to a "Subsidiary" or to "Subsidiaries" shall refer to a Subsidiary or Subsidiaries of the Borrower.

"**Subsidiary Guarantor**" means any Guarantor other than Holdings.

"**Successor Borrower**" has the meaning specified in Section 7.03(4).

"**Successor Holdings**" has the meaning specified in Section 7.03(5).

"**Supported** QFC" has the meaning specified in Section 10.27.

"**Supplemental Administrative Agent**" and "**Supplemental Administrative Agents**" have the meanings specified in Section 9.15(1).

"**Swap Obligation**" has the meaning specified in the definition of "Excluded Swap Obligation."

"**Swing Line Borrowing**" means a borrowing of a Swing Line Loan pursuant to Section 2.04.

"**Swing Line Facility**" means the swing line facility made available by the Swing Line Lender pursuant to Section 2.04.

"**Swing Line Lender**" means US Bank, DNBY and/or (as the context requires) any other Lender that becomes a Swing Line Lender in accordance with Section 2.04(8), or any successor Swing Line Lender hereunder.

"**Swing Line Loan**" has the meaning specified in Section 2.04(1).

"**Swing Line Loan Notice**" means a notice of a Swing Line Borrowing pursuant to Section 2.04(2), which, if in writing, shall be substantially in the form of Exhibit A-2.

"**Swing Line Note**" means a promissory note of the Borrower payable to any Swing Line Lender or its registered assigns, in substantially the form of Exhibit B-3, evidencing the aggregate Indebtedness of the Borrower to the Swing Line Lender resulting from the Swing Line Loans.

"**Swing Line Obligations**" means, as at any date of determination, the aggregate Outstanding Amount of all Swing Line Loans outstanding.

"**Swing Line Sublimit**" means an amount equal to the lesser of (a) ~~$90,000,000~~60,000,000 and (b) the aggregate amount of the Revolving Commitments. The Swing Line Sublimit is part of, and not in addition to, the Revolving Commitments. No Swing Line Lender shall be obligated to make Swing Line Loans in excess of the amount specified opposite such Swing Line Lender's name set forth in Schedule 2.01 under the caption "Swing Line Sublimit".

"**Tax**" means any present or future tax, levy, impost, duty, assessment, charge, fee, deduction or withholding of any nature and whatever called, imposed by any Governmental Authority, including any interest, additions to tax and penalties applicable thereto.

"**Tax Group**" has the meaning specified in Section 7.05(b)(14)(b).

"**Tax Indemnitee**" as defined in Section 3.01(5).

"**Term Borrowing**" means a Borrowing of any Term Loans.

"Term Commitment" means, as to each Term Lender, its obligation to make a Term Loan to the Borrower hereunder, expressed as an amount representing the maximum principal amount of the Term Loan to be made by such Term Lender under this Agreement, as such commitment may be (a) reduced from time to time pursuant to this Agreement and (b) reduced or increased from time to time pursuant to (i) assignments by or to such Term Lender pursuant to an Assignment and Assumption, (ii) an Incremental Amendment, (iii) a Refinancing Amendment, (iv) an Extension Amendment or (v) an amendment in respect of Replacement Loans. The initial amount of each Term Lender's Term Commitment is its Closing Date Term Commitment or, otherwise, in the Assignment and Assumption (or Affiliated Lender Assignment and Assumption), Incremental Amendment, Refinancing Amendment, Extension Amendment or amendment in respect of Replacement Loans pursuant to which such Lender shall have assumed its Commitment, as the case may be.

"**Term Facility**" means any Facility consisting of Term Loans or Term Commitments.

"**Term Lender**" means, at any time, any Lender that has a Term Commitment or a Term Loan at such time.

"**Term Loan**" means any Closing Date Term Loan, Incremental Term Loan, Refinancing Term Loan, Extended Term Loan or Replacement Loan, as the context may require.

"**Term Loan Exposure**" means, with respect to any Lender, as of any date of determination, the outstanding principal amount of the Term Loans of such Lender; *provided* that at any time prior to the making of the Term Loans, the Term Loan Exposure of any Lender shall be equal to such Lender's Term Commitment, or, with regard to any Incremental Amendment at any time prior to the making of the applicable Incremental Term Loans thereunder, the Term Loan Exposure of any Lender with respect to such Incremental Facility shall be equal to such Lender's Incremental Term Loan Commitment thereunder.

"**Term Loan Increase**" has the meaning specified in Section 2.14(1).

"**Term Note**" means a promissory note of the Borrower payable to any Term Lender or its registered assigns, in substantially the form of Exhibit B-1 hereto, evidencing the aggregate Indebtedness of the Borrower to such Term Lender resulting from the Term Loans made by such Term Lender.

"**Term SOFR**" means, for the applicable Corresponding Tenor as of the applicable Reference Time, the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

"**Term SOFR Notice**" means a notification by the Administrative Agent to the Lenders and the Borrower of the occurrence of a Term SOFR Transition Event.

"**Term SOFR Transition Event**" means the determination by the Administrative Agent that (a) Term SOFR has been recommended for use by the Relevant Governmental Body, (b) the administration of Term SOFR is administratively feasible for the Administrative Agent and (c) a Benchmark Transition Event or an Early Opt-in Election, as applicable, has previously occurred resulting in a Benchmark Replacement in accordance with Section 2.14 that is not Term SOFR.

"**Termination Conditions**" means, collectively, (a) the payment in full in cash of the Obligations (other than (i) contingent indemnification obligations as to which no claim has been asserted and (ii) Obligations under Secured Hedge Agreements and Cash Management Obligations) and (b) the termination of the Commitments and the termination or expiration of all Letters of Credit under this Agreement (unless backstopped or Cash Collateralized in an amount equal to 103% of the maximum drawable amount of any such Letter of Credit or otherwise in an amount or in a manner reasonably acceptable to the relevant Issuing Banks).

"**Test Period**" in effect at any time means the Borrower's most recently ended four consecutive fiscal quarters (taken as one accounting period) for which, subject to Section 1.07(1), internal financial statements are available (as determined in good faith by the Borrower)*; provided* that prior to the first date on which financial statements have been furnished, the Test Period in effect will be the period of four consecutive fiscal quarters of the Borrower ended March 31, 2015.

"**Threshold Amount**" means $40.0 million.

"**Total Assets**" means, at any time, the total assets of the Borrower and the Restricted Subsidiaries, determined on a consolidated basis in accordance with GAAP, as shown on the then most recent balance sheet of the Borrower or such other Person as may be available (as determined in good faith by the Borrower).

"**Total Net Leverage Ratio**" means, with respect to any Test Period, the ratio of (a) Consolidated Total Debt outstanding as of the last day of such Test Period *minus* an aggregate amount of cash and Cash Equivalents included in the consolidated balance sheet of the Borrower as of such date, excluding cash and Cash Equivalents which are listed as "Restricted" on such balance sheet to (b) Run-Rate Adjusted EBITDA of the Borrower for such Test Period, in each case on a *pro forma* basis with such *pro forma* adjustments as are appropriate and consistent with Section 1.07.

"**Total New Facility Run-Rate Adjustment**" means, with respect to any Person for any period, the sum of the New Facility EBITDA Adjustments for each New Facility.

"**Total 2017 Initial Revolving Outstandings**" means the aggregate Outstanding Amount of all 2017 Initial Revolving Loans and aggregate Pro Rata Share of L/C Obligations held by 2017 Initial Revolving Lenders.

"**Total ~~Original~~2021 Initial Revolving Outstandings**" means the aggregate Outstanding Amount of all ~~Original~~2021 Initial Revolving Loans and aggregate Pro Rata Share of L/C Obligations held by ~~Original~~2021 Initial Revolving Lenders.

"**Total Revolving Outstandings**" means the aggregate Outstanding Amount of all Revolving Loans and L/C Obligations.

"**Traded Securities**" means any debt or equity securities issued pursuant to a public offering or Rule 144A offering.

"**Transaction Agreement**" means the Agreement and Plan of Merger, dated as of March 15, 2015, among Life Time, LTF Holdings, Inc., a Delaware corporation, and LTF Merger Sub, Inc., a Minnesota corporation, as amended, modified and supplemented from time to time.

"**Transaction Consideration**" means an amount equal to the total funds required to consummate the Merger as set forth in the Transaction Agreement.

"**Transaction Expenses**" means any fees, expenses, costs or charges incurred or paid by the Investors, any Parent Company, Holdings, the Borrower or any Restricted Subsidiary in connection with the Transactions, including any expenses in connection with hedging transactions, payments to officers, employees and directors as change of control payments, severance payments, special or retention bonuses and charges for repurchase or rollover of, or modifications to, stock options or restricted stock.

"**Transactions**" means, collectively, the transactions contemplated by the Transaction Agreement (as amended through the Closing Date) and transactions related or incidental to, or in connection with, such transactions, the funding of the Closing Date Loans, the issuance of the Senior Notes on the Closing Date, and the payment of Transaction Expenses.

"**Treasury Capital Stock**" has the meaning assigned to such term in Section 7.05(b)(2)(a).

"**TTM Run-Rate Adjusted EBITDA**" means, as of any date of determination, the Run-Rate Adjusted EBITDA of the Borrower for the Test Period.

"**Type**" means, with respect to a Loan, its character as a Base Rate Loan, a Eurodollar Rate Loan or a CDOR Loan.

"**Unadjusted Benchmark Replacement**" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

"**Uniform Commercial Code" or "UCC**" means the Uniform Commercial Code or any successor provision thereof as the same may from time to time be in effect in the State of New York or the Uniform Commercial Code or any successor provision thereof (or similar code or statute) of another jurisdiction, to the extent it may be required to apply to any item or items of Collateral.

provided, *however*, that with respect to any Letter of Credit that, by its terms or the terms of any Issuing Bank Document related thereto, provides for one or more automatic increases in the stated amount thereof, the amount of such Letter of Credit shall be deemed to be the amount of the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at such time.

SECTION 1.12 Division of Limited Liability Company. Any reference herein to a merger, transfer, consolidation, amalgamation, consolidation, assignment, sale, disposition or transfer, or similar term, shall be deemed to apply to a division of or by a limited liability company, or an allocation of assets to a series of a limited liability company (or the unwinding of such a division or allocation), as if it were a merger, transfer, consolidation, amalgamation, consolidation, assignment, sale or transfer, or similar term, as applicable, to, of or with a separate Person. Any division of a limited liability company shall constitute a separate Person hereunder (and each division of any limited liability company that is a subsidiary, Restricted Subsidiary, Unrestricted Subsidiary, joint venture or any other like term shall also constitute such a Person or entity).

ARTICLE II

The Commitments and Borrowings

SECTION 2.01 The Loans.

(1) Term Borrowings. Subject to (a) the terms and conditions set forth in Section 4.01 hereof, each Term Lender severally agrees~~(a)~~ to make to the Borrower on the Closing Date one or more Closing Date Term Loans denominated in Dollars in an aggregate principal amount equal to such Term Lender's Closing Date Term Commitment on the Closing Date~~,~~ and (b) the terms and conditions set forth in Amendment No. 8, each Term Lender severally agrees to make to the Borrower on the Amendment No.~~4~~8 Effective Date one or more ~~2017~~2021 Refinancing Term Loans denominated in Dollars in an aggregate principal amount equal to such Term Lender's ~~2017~~2021 Refinancing Term Loan Commitment on the Amendment No. ~~4~~8 Effective ~~Date and (c) to make to the Borrower on the Amendment No. 5 Effective Date one or more New 2017 Refinancing Term Loans denominated in Dollars in an aggregate principal amount equal to such Term Lender's New 2017 Refinancing Term Loan Commitment on the Amendment No. 5 Effective~~ Date. Amounts borrowed under this Section 2.01(1) and repaid or prepaid may not be reborrowed. The Closing Date Term Loans may be Base Rate Loans or Eurodollar Rate Loans, as further provided herein.

(2) Revolving Borrowings. Subject to the terms and conditions set forth herein, each Revolving Lender severally agrees to make loans denominated in Dollars or one or more Alternative Currencies pursuant to Section 2.02 from its applicable Lending Office (each such loan, a "**Revolving Loan**") to the Borrower from time to time, on any Business Day during the period, with respect to each Class of the Revolving Facility, from (x) in the case of the ~~Original Initial Revolving Facility, the Closing~~Date and (y) in the case of the 2017 Initial Revolving Facility, the Amendment No. 6Effective Date and (y) in the case of the 2021 Initial Revolving Facility, the Amendment No. 8 Effective Date, in each case, until the Maturity Date with respect to such Class of the Revolving Facility, in an aggregate principal Dollar Amount not to exceed at any time outstanding the amount of such Lender's Revolving Commitment under the applicable Class of the Revolving Facility; *provided* that after giving effect to any Revolving Borrowing, (a) (x) the Total ~~Original Initial Revolving Outstandings shall not exceed the aggregate Original Initial Revolving Commitments and (y) the Total~~ 2017 Initial Revolving Outstandings shall not exceed the aggregate 2017 Initial Revolving Commitments and (y) the Total 2021 Initial Revolving Outstandings shall not exceed the aggregate 2021 Initial Revolving Commitments (b) the aggregate principal Dollar Amount of Total Revolving Outstandings denominated in Canadian Dollars will not exceed $25.0 million and (c) the aggregate Outstanding Amount of the Revolving Loans of any Lender, plus such Lender's Pro Rata Share or other applicable share provided for under this Agreement of the Outstanding Amount of all L/C Obligations, *plus*, in the case of each Lender other than the Swing Line Lender, such Lender's Pro Rata Share or other applicable share provided for under this Agreement of the Outstanding Amount of all Swing Line Loans, shall not exceed such Lender's Revolving Commitment. Within the limits of each Lender's Revolving Commitment, and subject to the other terms and conditions hereof, the Borrower may borrow under this Section 2.01(2), prepay under Section 2.05 and reborrow under this Section 2.01(2). Revolving Loans may be Base Rate Loans, Eurodollar Rate Loans or CDOR Loans, as

(viii) such other matters as the relevant Issuing Bank may reasonably request.

In the case of a request for an amendment of any outstanding Letter of Credit, such L/C Application shall specify in form and detail reasonably satisfactory to the relevant Issuing Bank:

(A) the Letter of Credit to be amended;

(B) the proposed date of amendment thereof (which shall be a Business Day);

(C) the nature of the proposed amendment; and

(D) such other matters as the relevant Issuing Bank may reasonably request.

(b) Promptly after receipt of any L/C Application, the relevant Issuing Bank will confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has received a copy of such L/C Application from the Borrower and, if not, such Issuing Bank will provide the Administrative Agent with a copy thereof. Upon receipt by the relevant Issuing Bank of confirmation from the Administrative Agent that the requested issuance or amendment is permitted in accordance with the terms hereof, then, subject to the terms and conditions hereof, such Issuing Bank shall, on the requested date, issue a Letter of Credit for the account of the Borrower (or, if applicable, any Restricted Subsidiary of the Borrower) or enter into the applicable amendment, as the case may be. ~~Immediately~~Subject to Section 2.03(16), immediately upon the issuance of each Letter of Credit, each Revolving Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the relevant Issuing Bank a risk participation in such Letter of Credit in an amount equal to the product of such Lender's Pro Rata Share or other applicable share provided for under this Agreement times the amount of such Letter of Credit. For the avoidance of doubt, each risk participation in a Letter of Credit shall be made on a ratable basis among all Classes of Revolving Commitments then in effect. In furtherance of the foregoing, on the Amendment No. 6 Effective Date (after giving effect to Amendment No. 6) the risk participations in the Letters of Credit outstanding on such date shall be reallocated amongst the Revolving Lenders such that, after giving effect to such reallocation, each Revolving Lender shall hold risk participations in each such Letter of Credit equal to such Revolving Lender's Pro Rata Share of the Revolving Facility (after giving effect to Amendment No. 6). Upon a Maturity Date under any Class of the Revolving Facility (other than the tranche with the latest Maturity Date of all Revolving Facilities then in effect), provided that no Default or Event of Default shall have occurred and be continuing, the aggregate amount of participations in Letters of Credit held by Revolving Lenders in respect of the Class of Revolving Commitments terminating on such Maturity Date shall be reallocated to the Revolving Lenders holding Revolving Commitments of each other Class of Revolving Commitments then in effect, such that, upon such reallocation, the participation of each remaining Revolving Lender in outstanding Letters of Credit shall be in proportion to its respective Pro Rata Share; *provided* that in no event shall such reallocation result in the aggregate Outstanding Amount of the Revolving Loans of any Lender,*plus* such Lender's Pro Rata Share of the Outstanding Amount of all L/C Obligations, *plus* such Lender's Pro Rata Share of the Outstanding Amount of all Swing Line Loans exceeding such Lender's Revolving Commitment. If, on the Maturity Date with respect to any Class of the Revolving Facility, the reallocation described above cannot, or can only partially, be effected with respect to any outstanding Letter of Credit as a result of the limitations set forth herein, the Borrower shall, in accordance with Section 2.03(7), Cash Collateralize the portion of any such Letter of Credit that cannot be so reallocated.

(c) If the Borrower so requests in any applicable L/C Application, the relevant Issuing Bank shall agree to issue a Letter of Credit that has automatic extension provisions (each, an "**Auto- Extension Letter of Credit**"); *provided* that any such Auto-Extension Letter of Credit must permit the relevant Issuing Bank to prevent any such extension at least once in each twelve-month period (commencing with the date of issuance of such Letter of Credit) by giving prior notice to the beneficiary thereof not later than a day (the "**Non-Extension Notice Date**") in each such twelve-month period to be agreed upon by the relevant Issuing Bank and the Borrower at the time such Letter of Credit is issued. the Borrower in such amount. The Administrative Agent shall remit the funds so received to the relevant Issuing Bank.

(c) With respect to any Unreimbursed Amount that is not fully refinanced by a Revolving Borrowing of Base Rate Loans because the conditions set forth in Section 4.02 cannot be satisfied or for any other reason, the Borrower shall be deemed to have incurred from the relevant Issuing Bank an L/C Borrowing in the amount of the Unreimbursed Amount that is not so refinanced, which L/C Borrowing shall be due and payable on demand (together with interest) and shall (x) with respect to the portion of such L/C Borrowing associated with 2017 Initial Revolving Commitments, bear interest at the Default Rate then applicable to~~(i) prior to the date of termination of the Original Initial Revolving Facility in accordance with the terms of this Agreement, the Original~~the 2017 Initial Revolving Loans and ~~(ii) from and after the date of termination of the Original~~y) with respect to the portion of such L/C Borrowing associated with 2021 Initial Revolving ~~Facility in accordance with the terms of this Agreement, the 2017~~Commitments, bear interest at the Default Rate then applicable to the 2021 Initial Revolving Loans. In such event, each Appropriate Lender's payment to the Administrative Agent for the account of the relevant Issuing Bank pursuant to Section 2.03(3)(b) shall be deemed payment in respect of its participation in such L/C Borrowing and shall constitute an L/C Advance from such Lender in satisfaction of its participation obligation under this Section 2.03.

(d) Until each Appropriate Lender funds its Revolving Loan or L/C Advance pursuant to this Section 2.03(3) to reimburse the relevant Issuing Bank for any amount drawn under any Letter of Credit, interest in respect of such Lender's Pro Rata Share or other applicable share provided for under this Agreement of such amount shall be solely for the account of the relevant Issuing Bank.

(e) Each Revolving Lender's obligation to make Revolving Loans or L/C Advances to reimburse an Issuing Bank for amounts drawn under Letters of Credit, as contemplated by this Section 2.03(3), shall be absolute and unconditional and shall not be affected by any circumstance, including

(i) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against the relevant Issuing Bank, the Borrower or any other Person for any reason whatsoever;

(ii) the occurrence or continuance of a Default; or

(iii) any other occurrence, event or condition, whether or not similar to any of the foregoing;

provided that each Revolving Lender's obligation to make Revolving Loans pursuant to this Section 2.03(3) is subject to the conditions set forth in Section 4.02 (other than delivery by the Borrower of a Committed Loan Notice). No such making of an L/C Advance shall relieve or otherwise impair the obligation of the Borrower to reimburse the relevant Issuing Bank for the amount of any payment made by such Issuing Bank under any Letter of Credit, together with interest as provided herein.

(f) If any Revolving Lender fails to make available to the Administrative Agent for the account of the relevant Issuing Bank any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.03(3) by the time specified in Section 2.03(3)(b), such Issuing Bank shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to such Issuing Bank at a rate per annum equal to the applicable Overnight Rate from time to time in effect. A certificate of the relevant Issuing Bank submitted to any Revolving Lender (through the Administrative Agent) with respect to any amounts owing under this Section 2.03(3)(d) shall be conclusive absent manifest error.

(4) Repayment of Participations.

(13) Provisions Related to Extended Revolving Commitments. If the L/C Expiration Date in respect of any Class of Revolving Commitments occurs prior to the expiry date of any Letter of Credit, then (a) if consented to by the Issuing Bank which issued such Letter of Credit, if one or more other Classes of Revolving Commitments in respect of which the L/C Expiration Date shall not have so occurred are then in effect, such Letters of Credit for which consent has been obtained shall automatically be deemed to have been issued (including for purposes of the obligations of the Revolving Lenders to purchase participations therein and to make Revolving Loans and payments in respect thereof pursuant to Sections 2.03(3) and (4)) under (and ratably participated in by Revolving Lenders pursuant to) the Revolving Commitments in respect of such non-terminating Classes up to an aggregate amount not to exceed the aggregate principal amount of the unutilized Revolving Commitments thereunder at such time (it being understood that no partial face amount of any Letter of Credit may be so reallocated) and (b) to the extent not reallocated pursuant to immediately preceding clause (a) and unless provisions reasonably satisfactory to the applicable Issuing Bank for the treatment of such Letter of Credit as a letter of credit under a successor credit facility have been agreed upon, the Borrower shall, on or prior to the applicable Maturity Date, cause all such Letters of Credit to be replaced and returned to the applicable Issuing Bank undrawn and marked "cancelled" or to the extent that the Borrower is unable to so replace and return any Letter(s) of Credit, such Letter(s) of Credit shall be backstopped by a "back to back" letter of credit reasonably satisfactory to the applicable Issuing Bank or the Borrower shall Cash Collateralize any such Letter of Credit in accordance with Section 2.03(7).

(14) Letter of Credit Reports. For so long as any Letter of Credit issued by an Issuing Bank is outstanding, such Issuing Bank shall deliver to the Administrative Agent on the last Business Day of each calendar month, and on each date that an L/C Credit Extension occurs with respect to any such Letter of Credit, a report in the form of Exhibit R, appropriately completed with the information for every outstanding Letter of Credit issued by such Issuing Bank.

(15) Letters of Credit Issued for Holdings and Subsidiaries. Notwithstanding that a Letter of Credit issued or outstanding hereunder is in support of any obligations of, or is for the account of, Holdings or a Restricted Subsidiary of the Borrower, the Borrower shall be obligated to reimburse, or cause to be reimbursed, the applicable Issuing Bank hereunder for any and all drawings under such Letter of Credit. The Borrower hereby acknowledges that the issuance of Letters of Credit for the account of Holdings or such Restricted Subsidiaries inures to the benefit of the Borrower, and that the Borrower's businesses derives substantial benefits from the businesses of Holdings and such Restricted Subsidiaries.

(16) Reallocation of Risk Participations. On the Maturity Date with respect to the 2017 Initial Revolving Commitments, all risk participations with respect to Letters of Credit issued hereunder on or prior to the such date shall be reallocated to the 2021 Initial Revolving Lenders in accordance with their pro rata share of the remaining Revolving Commitments; provided that such reallocation shall only be effected to the extent that it would not result in the Outstanding Amount of any 2021 Initial Revolving Lender exceeding such Lender's 2021 Initial Revolving Commitment.

SECTION 2.04 Swing Line Loans.

(1) The Swing Line. Subject to the terms and conditions set forth herein, the Swing Line Lender may, in its sole discretion and in its individual capacity, make revolving credit loans in Dollars to the Borrower (each such loan, a "**Swing Line Loan**"), from time to time on any Business Day during the period beginning on the Business Day after the Closing Date and until the Maturity Date of the Revolving Facility in an aggregate amount not to exceed at any time outstanding the amount of the Swing Line Sublimit, notwithstanding the fact that such Swing Line Loans, when aggregated with the Pro Rata Share or other applicable share provided for under this Agreement of the Outstanding Amount of Revolving Loans and L/C Obligations of the Swing Line Lender, may exceed the amount of such Swing Line Lender's Revolving Commitment; *provided* that, after giving effect to any Swing Line Loan, the Revolving Exposure shall not exceed the aggregate Revolving Commitment. Within the foregoing limits, and subject to the other terms and conditions hereof, the Borrower may borrow under this Section 2.04, prepay under Section 2.05, and reborrow under this Section 2.04. Each Swing Line Loan will be obtained or maintained as a Base Rate Loan (bearing interest at the Base Rate *plus* the Applicable Rate for Base Rate Loans under the ~~2017~~2021 Initial Revolving Facility) unless Swing Line Lender agrees to a lower interest rate; *provided* that (a) Swing Line Lender may not agree to a different rate if an Event of Default has occurred and is continuing and (b) upon the

Class or Classes of Revolving Commitments is or are in effect with a later Maturity Date (each a "**Non-Expiring Credit Commitment**" and collectively, the "**Non-Expiring Credit Commitments**"), then with respect to each outstanding Swing Line Loan, if consented to by the Swing Line Lender, on the earliest occurring Maturity Date such Swing Line Loan shall be deemed reallocated to the Class or Classes of the Non-Expiring Credit Commitments on a pro rata basis; *provided* that (a) to the extent that the amount of such reallocation would cause the aggregate credit exposure to exceed the aggregate amount of such Non-Expiring Credit Commitments, immediately prior to such reallocation (after giving effect to any repayments of Revolving Loans and any reallocation of Letter of Credit participations as contemplated in Section 2.03(13)) the amount of Swing Line Loans to be reallocated equal to such excess shall be repaid and (b) notwithstanding the foregoing, if a Default or Event of Default has occurred and is continuing, the Borrower shall still be obligated to pay Swing Line Loans allocated to the Revolving Lenders holding the Expiring Credit Commitments at the Maturity Date of the Expiring Credit Commitment or if the Loans have been accelerated prior to the Maturity Date of the Expiring Credit Commitment.

(8) Addition of a Swing Line Lender. A Revolving Lender reasonably acceptable to the Borrower and the Administrative Agent may become an additional Swing Line Lender hereunder pursuant to a written agreement among the Borrower, the Administrative Agent and such Revolving Lender (which agreement shall include the Swing Line Sublimit for such additional Swing Line Lender). The Administrative Agent shall notify the Revolving Lenders of any such additional Swing Line Lender.

(9) Reallocation of Risk Participations. On the Maturity Date with respect to the 2017 Initial Revolving Commitments, all risk participations with respect to Swing Line Loans incurred by the Borrower on or prior to such date shall be reallocated to the 2021 Initial Revolving Lenders in accordance with their pro rata share of the remaining Revolving Commitments; *provided* that such reallocation shall only be effected to the extent that it would not result in the sum of such Lender's Outstanding Amount exceeding such Lender's 2021 Initial Revolving Commitment.

SECTION 2.05 Prepayments.

(1) Optional.

(a) The Borrower may, upon notice to the Administrative Agent by the Borrower, at any time or from time to time voluntarily prepay any Class or Classes of Term Loans and any Class or Classes of Revolving Loans in whole or in part without premium (except as set forth in Section 2.18) or penalty; *provided* that

(i) such notice must be received by the Administrative Agent not later than 12:00 p.m., New York time, (A) three (3) Business Days prior to any date of prepayment of Eurodollar Rate Loans and CDOR Loans and (B) on the date of prepayment of Base Rate Loans;

(ii) any partial prepayment of Eurodollar Rate Loans and CDOR Loans shall be in a principal amount of $2.0 million or a whole multiple of $500,000 in excess thereof or, if less, the entire principal amount thereof then outstanding;

(iii) any prepayment of Base Rate Loans shall be in a principal amount of $1.0 million or a whole multiple of $100,000 in excess thereof or, if less, the entire principal amount thereof then outstanding; and

(iv) any prepayment of Revolving Loans under the Revolving Facility shall be allocated to prepay the Revolving Loans outstanding under each Class of the Revolving Facility in effect on the date of such prepayment on a ratable basis.

Each such notice shall specify the date and amount of such prepayment and the Class(es) and Type(s) of Loans to be prepaid (and, for the avoidance of doubt, may indicate the prepayments by more than one Borrower on such date in such amounts so specified, which, individually, may be below any minimum or multiple, but which, in the aggregate amount on any given date, shall satisfy such minimum

(2) Mandatory.

(a) Within five (5) Business Days after financial statements have been delivered pursuant to Section 6.01(1) and the related Compliance Certificate has been delivered pursuant to Section 6.02(1), commencing with delivery of financial statements for the fiscal year ended December 31, 2016, the Borrower shall, subject to clauses (f) and (g) of this Section 2.05(2), prepay, or cause to be prepaid, an aggregate principal amount of Term Loans equal to 50% (such percentage as it may be reduced as described below, the "**ECF Percentage**") of Excess Cash Flow in excess of $15.0 million, if any, for the fiscal year covered by such financial statements *minus* the sum of all voluntary prepayments of

(i) Term Loans made pursuant to Sections 2.05(1)(a) and 2.05(1)(e) (in an amount, in the case of prepayments pursuant to Section 2.05(1)(e), equal to the discounted amount actually paid in respect of the principal amount of such Term Loans and only to the extent that such Loans have been cancelled),

(ii) The Secured Notes, Pari Passu Lien Debt, Credit Agreement Refinancing Indebtedness or Permitted Incremental Equivalent Debt, in each case to the extent secured in whole or in part on a *pari passu* basis with the Closing Date Term Loans and

(iii) Revolving Loans, Refinancing Revolving Loans or loans under any other revolving facility that is secured, in whole or in part, on a *pari passu* basis with the Revolving Loans (in each case of this clause (iii), to the extent accompanied by a permanent reduction in the corresponding Revolving Commitments or other revolving commitments), in the case of each of the immediately preceding clauses (i), (ii) and (iii), made during such fiscal year (without duplication of any prepayments in such fiscal year that reduced the amount of Excess Cash Flow required to be repaid pursuant to this Section 2.05(2)(a) for any prior fiscal year) or after the end of such fiscal year-end but prior to the date a prepayment pursuant to this Section (2)(a) is required to be made in respect of such fiscal year and in each case to the extent such prepayments are not funded with the proceeds of Funded Debt (other than any Indebtedness under any revolving credit facilities); *provided* that the ECF Percentage for any fiscal year shall be (x) 25% if the First Lien Net Leverage Ratio as of the end of such fiscal year was less than or equal to 3.50 to 1.00 and greater than 3.00 to 1.00 and (y) 0% if the First Lien Net Leverage Ratio as of the end of such fiscal year was less than or equal to 3.00 to 1.00; *provided further* that:

(A) if at the time that any such prepayment would be required, the Borrower (or any Restricted Subsidiary) is required to Discharge Other Applicable Indebtedness with Other Applicable ECF pursuant to the terms of the documentation governing such Indebtedness, then the Borrower (or any Restricted Subsidiary) may apply such Excess Cash Flow on a *pro rata* basis (determined on the basis of the aggregate outstanding principal amount of the Term Loans and Other Applicable Indebtedness requiring such Discharge at such time);

(B) the portion of such Excess Cash Flow allocated to the Other Applicable Indebtedness shall not exceed the amount of such Other Applicable ECF required to be allocated to the Other Applicable Indebtedness pursuant to the terms thereof, and the remaining amount, if any, of such Excess Cash Flow shall be allocated to the Term Loans in accordance with the terms hereof) to the prepayment of the Term Loans and to the repurchase or prepayment of Other Applicable Indebtedness, and the amount of prepayment of the Term Loans that would have otherwise been required pursuant to this Section 2.05(2)(a) shall be reduced accordingly; and

(C) to the extent the lenders or holders of Other Applicable Indebtedness decline to have such Indebtedness repurchased or prepaid with such portion of Excess Cash Flow, the declined amount shall promptly (and in any event within ten (10) Business Days after the date of such rejection) be applied to prepay the Term Loans to the extent required in accordance with the terms of this Section 2.05(2)(a).

(b) (i) If (x) the Borrower or any Restricted Subsidiary makes an Asset Sale or (y) any Casualty Event occurs, which results in the realization or receipt by the Borrower or such Restricted Subsidiary of Net Proceeds, the Borrower shall prepay, or cause to be prepaid, on or prior to the date which is ten (10) Business Days after the date of the realization or receipt by the Borrower or such Restricted Subsidiary of such Net Proceeds, subject to clause (ii) of this Section 2.05(2)(b) and clauses (2)(g) and (g) of this Section 2.05, an aggregate principal amount of Term Loans equal to 100% (such percentage as it may be reduced as described below, the "**Disposition Percentage**") of all Net Proceeds realized or received; *provided* that (I) the Disposition Percentage shall be (x) 50% if the First Lien Net Leverage Ratio as of the end of the fiscal year covered by such financial statements was less than or equal to 2.50 to 1.00 and greater than 2.00 to 1.00 and (y) 0% if the First Lien Net Leverage Ratio as of the end of the fiscal year covered by such financial statements was less than or equal to 2.00 to 1.00 and (II) no prepayment shall be required pursuant to this Section 2.05(2)(b)(i) with respect to such portion of such Net Proceeds that the Borrower ~~shall have, on or prior to such date, given written notice to the Administrative Agent of its intent~~intends to reinvest (or entered into a binding commitment to reinvest) in accordance with Section 2.05(2)(b)(ii); *provided further* that

(A) if at the time that any such prepayment would be required, the Borrower (or any Restricted Subsidiary) is required to Discharge any Other Applicable Indebtedness with Other Applicable Net Proceeds pursuant to the terms of the documentation governing such Indebtedness, then the Borrower (or any Restricted Subsidiary) may apply such Net Proceeds on a *pro rata* basis (determined on the basis of the aggregate outstanding principal amount of the Term Loans and Other Applicable Indebtedness requiring such Discharge at such time);

(B) the portion of such Net Proceeds allocated to the Other Applicable Indebtedness shall not exceed the amount of such Other Applicable Net Proceeds required to be allocated to the Other Applicable Indebtedness pursuant to the terms thereof, and the remaining amount, if any, of such Net Proceeds shall be allocated to the Term Loans (in accordance with the terms hereof) to the prepayment of the Term Loans and to the repurchase or prepayment of Other Applicable Indebtedness, and the amount of prepayment of the Term Loans that would have otherwise been required pursuant to this Section 2.05(2)(b)(i) shall be reduced accordingly; and

(C) to the extent the holders of Other Applicable Indebtedness decline to have such Indebtedness repurchased or prepaid with such portion of such Net Proceeds, the declined amount shall promptly (and in any event within ten (10) Business Days after the date of such rejection) be applied to prepay the Term Loans in accordance with the terms hereof; *provided further* that no prepayment shall be required pursuant to this Section 2.05(2)(b)(i) with respect to such portion of such Net Proceeds that the Borrower shall have, on or prior to such date, given written notice to the Administrative Agent of its intent to reinvest (or entered into a binding commitment to reinvest) in accordance with Section 2.05(2)(b)(ii).

(ii) With respect to any Net Proceeds realized or received with respect to any Asset Sale or any Casualty Event, the Borrower or any Restricted Subsidiary, at its option, may reinvest all or any portion of such Net Proceeds in assets useful for their business within (x) eighteen (18) months following receipt of such Net Proceeds or (y) if the Borrower or any Restricted Subsidiary enters into a legally binding commitment to reinvest such Net Proceeds within eighteen (18) months following receipt thereof, within the later of (A) eighteen (18) months following receipt thereof and (B) one hundred eighty (180) days of the date of such legally binding commitment; *provided* that if any Net Proceeds are no longer intended to be or cannot be so reinvested at any time after delivery of a notice of reinvestment election, and subject to clauses (g) and (h) of this Section 2.05(2), an amount equal to any such Net Proceeds shall be applied within five (5) Business Days after the Borrower reasonably determines that such Net Proceeds are no longer intended to be or cannot be so reinvested to the prepayment of the Term Loans as set forth in this Section 2.05.

(c) (i) If the Borrower or any Restricted Subsidiary enters into a Specified Operating Facility Sale-Leaseback Transaction, which results in the receipt by the Borrower or such Restricted

Subsidiary of Specified Sale-Leaseback Net Proceeds, the Borrower shall prepay (or cause to be prepaid) on or prior to the date which is ten (10) Business Days after the date of receipt of such Specified Sale- Leaseback Net Proceeds an aggregate principal amount of Loans equal to 100.0% of such Specified Sale- Leaseback Net Proceeds; *provided* that if the Borrower elects to make a Restricted Payment under Section 7.05(b)(24), the Borrower will only be required to prepay (or cause to be prepaid) an aggregate principal amount of Loans equal to 60% of such Specified Sale-Leaseback Net Proceeds~~.~~ ; *provided, further* that, unless Borrower elects to make a Restricted Payment under Section 7.05(b)(24), no prepayment shall be required pursuant to this Section 2.05(2)(c)(i) with respect to such portion of such Specified Sale-Leaseback Net Proceeds that the Borrower intends to reinvest (or has entered into a binding commitment to reinvest) in accordance with Section 2.05(2)(c)(ii); *provided further* that

(A) if at the time that any such prepayment would be required, the Borrower (or any Restricted Subsidiary) is required to Discharge any Other Applicable Indebtedness with Other Applicable Specified Sale-Leaseback Net Proceeds pursuant to the terms of the documentation governing such Indebtedness, then the Borrower (or any Restricted Subsidiary) may apply such Specified Sale-Leaseback Net Proceeds on a *pro rata* basis (determined on the basis of the aggregate outstanding principal amount of the Term Loans and Other Applicable Indebtedness requiring such Discharge at such time);

(B) the portion of such Specified Sale-Leaseback Net Proceeds allocated to the Other Applicable Indebtedness shall not exceed the amount of such Other Applicable Specified Sale-Leaseback Net Proceeds required to be allocated to the Other Applicable Indebtedness pursuant to the terms thereof, and the remaining amount, if any, of such Specified Sale-Leaseback Net Proceeds shall be allocated to the Term Loans (in accordance with the terms hereof) to the prepayment of the Term Loans and to the repurchase or prepayment of Other Applicable Indebtedness, and the amount of prepayment of the Term Loans that would have otherwise been required pursuant to this Section 2.05(2)(c)(i) shall be reduced accordingly; and

(C) to the extent the holders of Other Applicable Indebtedness decline to have such Indebtedness repurchased or prepaid with such portion of such Specified Sale-Leaseback Net Proceeds, the declined amount shall promptly (and in any event within ten (10) Business Days after the date of such rejection) be applied to prepay the Term Loans in accordance with the terms hereof; *provided further* that no prepayment shall be required pursuant to this Section 2.05(2)(c)(i) with respect to such portion of such Specified Sale-Leaseback Net Proceeds that the Borrower shall have, on or prior to such date, given written notice to the Administrative Agent of its intent to reinvest (or its having entered into a binding commitment to reinvest) in accordance with Section 2.05(2)(c)(ii).

(ii) With respect to any Specified Sale-Leaseback Net Proceeds realized or received with respect to any Specified Operating Facility Sale-Leaseback Transaction, the Borrower or any Restricted Subsidiary, at its option, may reinvest all or any portion of such Specified Sale-Leaseback Net Proceeds in assets useful for their business (*provided* that, during the Covenant Modification Period, such reinvestment shall be limited to assets of the Loan Parties useful for their business) within (x) eighteen (18) months following receipt of such Specified Sale-Leaseback Net Proceeds or (y) if the Borrower or any Restricted Subsidiary enters into a legally binding commitment to reinvest such Net Proceeds within eighteen (18) months following receipt thereof, within the later of (A) eighteen (18) months following receipt thereof and (B) one hundred eighty (180) days of the date of such legally binding commitment; *provided* that if any Specified Sale-Leaseback Net Proceeds are no longer intended to be or cannot be so reinvested at any time after delivery of a notice of reinvestment election, and subject to clauses (g) and (h) of this Section 2.05(2), an amount equal to any such Specified Sale-Leaseback Net Proceeds shall be applied within five (5) Business Days after the Borrower reasonably determines that such Specified Sale- Leaseback Net Proceeds are no longer intended to be or cannot be so reinvested to the prepayment of the Term Loans as set forth in this Section 2.05.

(iii) ~~(ii)~~ If the Borrower or any Restricted Subsidiary enters into a Specified Other Sale-Leaseback Transaction, which results in the receipt by the Borrower or such Restricted Subsidiary of Specified Sale-Leaseback Net Proceeds and the Borrower elects to make a Restricted Payment under Section 7.05(b)(24) the Borrower shall prepay (or cause to be prepaid) substantially concurrently with the making of such Restricted Payment an aggregate principal amount of Loans equal to 60% of such Specified Sale-Leaseback Net Proceeds.

(d) If the Borrower or any Restricted Subsidiary incurs or issues any Indebtedness (A) not expressly permitted to be incurred or issued pursuant to Section 7.02 or (B) that constitutes Credit Agreement Refinancing Indebtedness or Refinancing Loans, the Borrower shall prepay, or cause to be prepaid, an aggregate principal amount of Term Loans of any Class or Classes (in each case, as directed by the Borrower) equal to 100% of all Net Proceeds received therefrom on or prior to the date which is five (5) Business Days after the receipt by the Borrower or such Restricted Subsidiary of such Net Proceeds.

(e) Except as otherwise set forth in any Refinancing Amendment, Extension Amendment or Incremental Amendment,

(i) each prepayment of Term Loans required by Sections 2.05(2)(a) through (d) shall be applied to each Class of Term Loans then outstanding on a *pro rata* basis or a less than *pro rata* basis (but not greater than *pro rata* basis) with any other Term Loans (in each case, other than pursuant to a refinancing or with respect to greater than *pro rata* payments to an earlier maturing tranche);

(ii) with respect to each Class of Loans (other than Revolving Loans), each prepayment pursuant to clauses (a) through (d) of Section 2.05(2) shall be applied to remaining scheduled installments of principal thereof following the date of prepayment as directed by the Borrower and specified in the notice of prepayment (and absent such direction, in direct order of maturity); and

(iii) each such prepayment shall be paid to the Lenders in accordance with their respective Pro Rata Shares of such prepayment;

provided that with respect to the allocation of such prepayments under this clause (e) between a Class of existing Loans and a Class of Extended Loans, the Borrower may allocate such prepayments as the Borrower may specify, subject to the limitation that the Borrower may not allocate to such Extended Loans any such mandatory prepayment (other than in the case of a refinancing of Extended Loans) unless such prepayment under this clause (e) is accompanied by at least a *pro rata* prepayment, based upon the applicable remaining scheduled installments of principal due in respect thereof, of the Term Loans of the same Class, if any, from which such Extended Loans were converted or exchanged (or such Term Loans of the existing Loan Class have otherwise been repaid in full).

(f)

(i) ~~(f)~~ Subject to Section 1.10(2), if for any reason (x) the aggregate Outstanding Amount of Revolving Loans, Swing Line Loans and L/C Obligations at any time exceeds the aggregate Revolving Commitments then in effect, the Borrower shall promptly prepay Revolving Loans and Swing Line Loans or Cash Collateralize the L/C Obligations in an aggregate amount equal to such excess; *provided* that the Borrower shall not be required to Cash Collateralize the L/C Obligations pursuant to this Section 2.05(2)(f) unless after the prepayment in full of the Revolving Loans and Swing Line Loans (as applicable) such aggregate Outstanding Amount of L/C Obligations exceeds the aggregate Revolving Commitments then in effect, (y) the aggregate Outstanding Amount of ~~Original Initial Revolving Loans at any time exceeds the aggregate Original Initial Revolving Commitments then in effect, the Borrower shall promptly prepay Original Initial Revolving Loans in an aggregate amount equal to such excess and (z) the aggregate Outstanding Amount of~~ 2017 Initial Revolving Loans at any time exceeds the aggregate 2017 Initial Revolving Commitments then in effect, the Borrower shall promptly prepay 2017 Initial Revolving Loans in an aggregate amount equal to such excess~~.~~ and (z) the aggregate Outstanding Amount of 2021 Initial Revolving Loans at any time exceeds the aggregate 2021 Initial Revolving Commitments then in effect, the Borrower shall promptly prepay 2021 Initial Revolving Loans in an aggregate amount equal to such excess.

(ii) During the Covenant Modification Period, if as of the last Business Day of any calendar month, the aggregate amount of cash and Cash Equivalents of the Loan Parties (other than cash and Cash Equivalents held in Excluded Covenant Accounts) exceeds $100,000,000, the Borrower shall, within 5 Business Days of the end of such calendar month, promptly repay (without a corresponding reduction in the Revolving Commitments) Revolving Loans and Swing Line Loans (as applicable), in an aggregate principal amount equal to the lesser of (A) such excess and (B) the aggregate principal of any Revolving Loans and Swing Line Loans outstanding.

(g) The Borrower shall notify the Administrative Agent in writing of any mandatory prepayment of Term Loans required to be made pursuant to clauses (a) through (c) of this Section 2.05(2) at least three (3) Business Days prior to the date of such prepayment. Each such notice shall specify the date of such prepayment and provide a reasonably detailed calculation of the aggregate amount of such prepayment to be made by the Borrower. The Administrative Agent will promptly notify each Appropriate Lender of the contents of the Borrower's prepayment notice and of such Appropriate Lender's Pro Rata Share of the prepayment or other applicable share provided for under this Agreement. Each Term Lender may reject all or a portion of its Pro Rata Share, or other applicable share provided for under this Agreement, of any mandatory prepayment (such declined amounts, the "**Declined Proceeds**") of Term Loans required to be made pursuant to clauses (a) and (b) of this Section 2.05(2) by providing written notice (each, a "**Rejection Notice**") to the Administrative Agent and the Borrower no later than 5:00 p.m., New York time, two (2) Business Days after the date of such Lender's receipt of notice from the Administrative Agent regarding such prepayment. Each Rejection Notice from a given Lender shall specify the principal amount of the mandatory repayment of Term Loans to be rejected by such Lender. If a Term Lender fails to deliver a Rejection Notice to the Administrative Agent within the time frame specified above or such Rejection Notice fails to specify the principal amount of the Term Loans to be rejected, any such failure will be deemed an acceptance of the total amount of such mandatory prepayment of Term Loans. Any Declined Proceeds remaining shall be retained by the Borrower (or the applicable Restricted Subsidiary) and may be applied by the Borrower or such Restricted Subsidiary in any manner not prohibited by this Agreement.

(h) Notwithstanding any other provisions of this Section 2.05(2), (A) to the extent that any or all of the Net Proceeds of any Asset Sale by a Foreign Subsidiary giving rise to a prepayment event pursuant to Section 2.05(2)(b) (a "**Foreign Asset Sale**"), the Net Proceeds of any Casualty Event from a Foreign Subsidiary (a "**Foreign Casualty Event**"), the Specified Sale-Leaseback Net Proceeds of any Specified Sale Leaseback Transaction by a Foreign Subsidiary (a "**Foreign Sale-Leaseback**") or all or a portion of Excess Cash Flow are prohibited or delayed by applicable local law from being repatriated to the United States, the portion of such Net Proceeds, Specified Sale-Leaseback Net Proceeds or Excess Cash Flow so affected will not be required to be applied to repay Term Loans at the times provided in this Section 2.05(2) but may be retained by the applicable Foreign Subsidiary so long, but only so long, as the applicable local law will not permit repatriation to the United States (the Borrower hereby agreeing to cause the applicable Foreign Subsidiary to promptly take all actions reasonably required by the applicable local law to permit such repatriation), and once such repatriation of any of such affected Net Proceeds, Specified Sale-Leaseback Net Proceeds or Excess Cash Flow is permitted under the applicable local law such repatriation will be promptly effected and an amount equal to such repatriated Net Proceeds or Excess Cash Flow will be promptly (and in any event not later than two (2) Business Days after such repatriation) applied (net of additional taxes payable or reserved against as a result thereof) to the repayment of the Term Loans pursuant to this Section 2.05(2) to the extent otherwise provided herein and (B) to the extent that the Borrower has determined in good faith that repatriation of any or all or the Net Proceeds of any Foreign Asset Sale or Foreign Casualty Event, the Specified Sale-Leaseback Net Proceeds of any Foreign Sale- Leaseback or Excess Cash Flow would have an adverse tax consequence (taking into account any foreign tax credit or benefit actually realized in connection with such repatriation) with respect to such Net Proceeds, Specified Sale-Leaseback Net Proceeds or Excess Cash Flow, the Net Proceeds, Specified Sale-Leaseback Net Proceeds or Excess Cash Flow so affected may be retained by the applicable Foreign Subsidiary.

(i) Interest, Funding Losses, etc. All prepayments under this Section 2.05 shall be accompanied by all accrued interest thereon, together with, in the case of any such prepayment of a Eurodollar Rate Loan or CDOR Loan on a date prior to the last day of an Interest Period therefor, any amounts owing in respect of such Eurodollar Rate Loan or CDOR Loan pursuant to Section 3.05.

Notwithstanding any of the other provisions of this Section 2.05, so long as no Event of Default shall have occurred and be continuing, if any prepayment of Eurodollar Rate Loans or CDOR Loans is required to be made under this Section 2.05 prior to the last day of the Interest Period therefor, in lieu of making any payment pursuant to this Section 2.05 in respect of any such Eurodollar Rate Loan or CDOR Loan prior to the last day of the Interest Period therefor, the Borrower may, in its discretion, deposit an amount sufficient to make any such prepayment otherwise required to be made thereunder together with accrued interest to the last day of such Interest Period into a Cash Collateral Account until the last day of such Interest Period, at which time the Administrative Agent shall be authorized (without any further action by or notice to or from the Borrower or any other Loan Party) to apply such amount to the prepayment of such Loans in accordance with this Section 2.05. Upon the occurrence and during the continuance of any Event of Default, the Administrative Agent shall also be authorized (without any further action by or notice to or from the Borrower or any other Loan Party) to apply such amount to the prepayment of the outstanding Loans in accordance with the relevant provisions of this Section 2.05. Such deposit shall be deemed to be a prepayment of such Loans by the Borrower for all purposes under this Agreement.

SECTION 2.06 Termination or Reduction of Commitments.

(1) Optional. The Borrower may, upon written notice by the Borrower to the Administrative Agent, terminate the unused Commitments of any Class, or from time to time permanently reduce the unused Commitments of any Class, in each case without premium or penalty; *provided* that

(a) any such notice shall be received by the Administrative Agent three (3) Business Days prior to the date of termination or reduction,

(b) any such partial reduction shall be in an aggregate amount of $5.0 million or any whole multiple of $1.0 million in excess thereof or, if less, the entire amount thereof,

(c) the Borrower shall not terminate or reduce (A) the ~~Original Initial Revolving Facility if, after giving effect thereto and to any concurrent prepayments hereunder, the Total Original Initial Revolving Outstandings would exceed the Original Initial Revolving Facility or (B) the~~ 2017 Initial Revolving Facility if, after giving effect thereto and to any concurrent prepayments hereunder, the Total 2017 Initial Revolving Outstandings would exceed the 2017 Initial Revolving Facility or (B) the 2021 Initial Revolving Facility if, after giving effect thereto and to any concurrent prepayments hereunder, the Total 2021 Initial Revolving Outstandings would exceed the 2021 Initial Revolving Facility; and

(d) if, after giving effect to any reduction of the Commitments, the L/C Sublimit or Swing Line Sublimit exceeds the amount of the Revolving Facility, such sublimit shall be automatically reduced by the amount of such excess.

Except as provided above, the amount of any such Revolving Commitment reduction shall not be applied to the L/C Sublimit or Swing Line Sublimit unless otherwise specified by the Borrower. Notwithstanding the foregoing, the Borrower may rescind or postpone any notice of termination of any Commitments if such termination would have resulted from a refinancing of all of the applicable Facility, which refinancing shall not be consummated or otherwise shall be delayed.

(2) Mandatory. Each of (i) the Closing Date Term Commitment of each Term Lender on the Closing Date and (ii) the ~~2017~~2021 Refinancing Term Loan Commitment of each ~~2017~~2021 Refinancing Term Lender on the Amendment No. ~~4 Effective Date and (iii) the New 2017 Refinancing Term Loan Commitment of each New~~

~~2017 Refinancing Term Lender on the Amendment No. 5~~8 Effective Date, shall be automatically and permanently reduced to $0 upon the making of such Lender's Closing Date Term Loans~~, 2017~~ or 2021 Refinancing Term ~~Loans or New 2017 Refinancing Term~~ Loans, respectively, to the Borrower pursuant to Section 2.01(1). The Revolving Commitment of each Revolving Lender shall automatically and permanently terminate on the Maturity Date for the applicable Class of the Revolving Facility.

(3) Application of Commitment Reductions; Payment of Fees. The Administrative Agent will promptly notify the Appropriate Lenders of any termination or reduction of unused portions of the L/C Sublimit, Swing Line Sublimit or the unused Commitments of any Class under this Section 2.06. Upon any reduction of unused Commitments of any Class, the Commitment of each Lender of such Class shall be reduced by such Lender's Pro Rata Share or other applicable share provided for under this Agreement of the amount by which such Commitments are reduced (other than the termination of the Commitment of any Lender as provided in Section 3.07). Any commitment fees accrued until the effective date of any termination of the Revolving Commitments shall be paid on the effective date of such termination.

SECTION 2.07 Repayment of Loans.

(1) Term Loans. The Borrower shall repay to the Administrative Agent for the ratable account of the Appropriate Lenders as follows:

(a) on the last Business Day of each March, June, September and December, an aggregate principal amount equal to~~the amount corresponding to such fiscal quarter in the table below~~$2,125,000 (which payments shall be reduced as a result of the application of prepayments in accordance with the order of priority set forth in Section 2.05)~~:~~

~~Fiscal Quarter Ended~~	~~Principal Amount to be Repaid~~
~~March 31, 2018~~	~~$ 3,802,542.20~~
~~June 30, 2018~~	~~$ 3,802,542.20~~
~~September 31, 2018~~	~~$ 3,802,542.20~~
~~December 31, 2018~~	~~$ 3,802,542.20~~
~~March 31, 2019~~	~~$ 3,802,542.20~~
~~June 30, 2019~~	~~$ 3,802,542.20~~
~~September 31, 2019~~	~~$ 3,802,542.20~~
~~December 31, 2019~~	~~$ 3,802,542.20~~
~~March 31, 2020~~	~~$ 3,802,542.20~~
~~June 30, 2020~~	~~$ 3,802,542.20~~
~~September 31, 2020~~	~~$ 3,802,542.20~~
~~December 31, 2020~~	~~$ 3,802,542.20~~
~~March 31, 2021~~	~~$ 3,802,542.20~~
~~June 30, 2021~~	~~$ 3,802,542.20~~
~~September 31, 2021~~	~~$ 3,802,542.20~~
~~December 31, 2021~~	~~$ 3,802,542.20~~
~~March 31, 2022~~	~~$ 3,802,542.20~~

; and

(b) on the Maturity Date for the Term Loans, the aggregate principal amount of all Term Loans outstanding on such date. In connection with any Incremental Term Loans that constitute part of the same Class as the ~~New 2017~~2021 Refinancing Term Loans, the Borrower and the Administrative Agent shall be permitted to adjust the rate of prepayment in respect of such Class such that the Term Lenders holding ~~New 2017~~2021 Refinancing Term Loans comprising part of such Class continue to receive a payment that is not less than the same dollar amount that such Term Lenders would have received absent the incurrence of such Incremental Term Loans.

(2) Revolving Loans. The Borrower shall repay to the Administrative Agent for the ratable account of the Appropriate Lenders on the Maturity Date for the applicable Class of the Revolving Facility the aggregate principal amount of all Revolving Loans under such Class of the Revolving Facility outstanding on such date.

(3) Swing Line Loans. The Borrower shall repay the aggregate principal amount of each Swing Line Loan on the earlier to occur of (a) the date selected by Swing Line Lender and (b) the Maturity Date for the applicable Revolving Facility.

SECTION 2.08 Interest.

(1) Subject to the provisions of Section 2.08(2), (a) each Eurodollar Rate Loan and CDOR Loan shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate per annum equal to the Eurodollar Rate or CDOR Rate for such Interest Period, respectively, *plus* the Applicable Rate, (b) each Base Rate Loan shall bear interest on the outstanding principal amount thereof from the applicable Borrowing date at a rate per annum equal to the Base Rate, *plus* the Applicable Rate and (c) each Swing Line Loan shall bear interest as provided in Section 2.04(1).

(2) During the continuance of a Default under Section 8.01(1), the Borrower shall pay interest on past due amounts hereunder at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws; *provided* that no interest at the Default Rate shall accrue or be payable to a Defaulting Lender so long as such Lender shall be a Defaulting Lender. Accrued and unpaid interest on past due amounts (including interest on past due interest) shall be due and payable upon demand.

(3) Interest on each Loan shall be due and payable in arrears on each Interest Payment Date applicable thereto and at such other times as may be specified herein. Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any Debtor Relief Law.

SECTION 2.09 Fees.

(1) Commitment Fee. The Borrower agrees to pay to the Administrative Agent for the account of each Revolving Lender under each Class of the Revolving Facility in accordance with its Pro Rata Share or other applicable share provided for under this Agreement, a commitment fee equal to the applicable Commitment Fee Rate with respect to such Class of the Revolving Facility times the actual daily amount by which the aggregate Revolving Commitment for the applicable Class of the Revolving Facility exceeds the sum of (a) the Outstanding Amount of

provisions of this Section 2.13 shall not be construed to apply to (i) any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement as in effect from time to time (including the application of funds arising from the existence of a Defaulting Lender) or (ii) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant permitted hereunder. The Borrower agrees that any Lender so purchasing a participation from another Lender may, to the fullest extent permitted by applicable Law, exercise all its rights of payment (including the right of setoff, but subject to Section 10.10) with respect to such participation as fully as if such Lender were the direct creditor of the Borrower in the amount of such participation. The Administrative Agent will keep records (which shall be conclusive and binding in the absence of manifest error) of participations purchased under this Section 2.13 and will in each case notify the Lenders following any such purchases or repayments. Each Lender that purchases a participation pursuant to this Section 2.13 shall from and after such purchase have the right to give all notices, requests, demands, directions and other communications under this Agreement with respect to the portion of the Obligations purchased to the same extent as though the purchasing Lender were the original owner of the Obligations purchased.

SECTION 2.14 Incremental Facilities.

(1) Incremental Loan Request. The Borrower may at any time and from time to time, on one or more occasions, after the Closing Date, by notice to the Administrative Agent (a) increase the aggregate principal amount of any outstanding Class of Term Loans (a "**Term Loan Increase**") or add one or more additional Classes of term loans under the Loan Documents (each an "**Incremental Term Facility**" and the term loans made thereunder, the "**Incremental Term Loans**") or (b) increase the aggregate principal amount of the Revolving Commitments (a "**Revolving Commitment Increase**") or establish one or more new revolving credit commitments (each an "**Incremental Revolving Facility**" and the revolving loans and other extensions of credit made thereunder, the "**Incremental Revolving Loans**") (each such increase to any existing Class of Loans or creation of a new Class of Loans pursuant to the preceding clauses (a) and (b), an "**Incremental Facility**" and the loans or other extensions of credit made thereunder, the "**Incremental Loans**"). Notwithstanding anything in this Section 2.14, during the Covenant Modification Period, the Borrower shall not be permitted to incur Incremental Facilities secured on a *pari passu* basis with the Liens that secure the Closing Date Loans and the Closing Date Revolving Facility.

(2) Ranking. Incremental Facilities will (a) rank *pari passu* in right of payment with the Closing Date Term Loans and the ~~initial~~Closing Date Revolving ~~Commitments~~Facility (subject to Section 8.03) and (b) will either be secured by Liens that rank on a*pari passu* or junior basis with or to the Liens securing the Obligations or be unsecured; *provided* that any Liens that rank on a junior basis to the Liens securing the Obligations will be subject to a Junior Lien Intercreditor Agreement.

(3) Size. The aggregate principal amount of Incremental Facilities on any date Indebtedness thereunder is first incurred, together with the aggregate principal amount of Permitted Incremental Equivalent Debt incurred at or prior to such time, will not exceed an amount equal to the Permitted Incremental Amount. Calculation of the Ratio Amount, if used, shall be evidenced by a certificate from a Responsible Officer of the Borrower demonstrating such calculation in reasonable detail. Unless the Borrower elects otherwise, each Incremental Facility shall be deemed incurred first under the Ratio Amount to the extent permitted, with the balance incurred under the Fixed Incremental Amount. Each Incremental Facility will be in an integral multiple Dollar Amount of $1.0 million and in an aggregate principal Dollar Amount that is not less than $10.0 million (or such lesser minimum amount approved by the Administrative Agent in its reasonable discretion); *provided* that such amount may be less than such minimum amount or integral multiple amount if such amount represents all the remaining availability under the limit set forth above.

(4) Incremental Lenders. Incremental Facilities may be provided by any existing Lender (it being understood that no existing Lender will have an obligation to make all or any portion of any Incremental Loan, nor will the Borrower have any obligation to approach any existing Lender(s) to provide any Incremental Loan) or by any Additional Lender on terms permitted by this Section 2.14; *provided* that the Administrative Agent, the Swing Line Lender and each Issuing Bank shall have consented (in each case, such consent not to be unreasonably withheld, conditioned or delayed) to any such Person's providing Incremental Revolving Facilities if such consent would be required under Section 10.07(b)(iii) for an assignment of such Loans or Revolving Commitments, as would result in a failure of a condition precedent to the obligation of the Borrower or any Restricted Subsidiary to consummate such Investment, acquisition or investment).

(7) Terms. Each Incremental Amendment will set forth the amount and terms of the relevant Incremental Facility. The terms of each Incremental Facility will be as agreed between the Borrower and the Persons providing such Incremental Loans; *provided* that:

(a) the final maturity date of such Incremental Term Loans will be no earlier than the Latest Maturity Date of the Closing Date Term Loans;

(b) the Weighted Average Life to Maturity of such Incremental Term Loans will be no shorter than the longest remaining Weighted Average Life to Maturity of the Closing Date Term Loans;

(c) such Incremental Term Loans may participate on a *pro rata* basis or a less than *pro rata* basis (but not greater than a *pro rata* basis) in any mandatory repayments or prepayments of the Term Loans (in each case, other than pursuant to a refinancing or with respect to greater than *pro rata* payments to an earlier maturing tranche) and may participate on a *pro rata* basis, less than *pro rata* basis or greater than *pro rata basis* in any voluntary prepayments of the Term Loans; and

(d) except as otherwise set forth herein, all other terms of any (i) Term Loan Increase or a Revolving Commitment Increase will be on terms and pursuant to documentation applicable to the Class of Term Loans or Revolving Commitments, as applicable, being increased by such Term Loan Increase or Revolving Commitment Increase, as applicable, and (ii) Incremental Facility shall be on terms and pursuant to documentation to be determined by the Borrower and the providers of such Incremental Facility, *provided* that, in each case, the operational and agency provisions contained in such documentation shall be reasonably satisfactory to the Administrative Agent

(8) Pricing. The interest rate, fees, and original issue discount for any Incremental Facilities will be as determined by the Borrower and the Persons providing such Incremental Facilities; *provided* that in the event that the All-In Yield applicable to any Incremental Term Loans exceeds the All-In Yield of any ~~New 2017~~2021 Refinancing Term Loans by more than 50 basis points, then the interest rate margins for such ~~New 2017~~2021 Refinancing Term Loans shall be increased to the extent necessary so that the All-In Yield of such ~~New 2017~~2021 Refinancing Term Loans is equal to the All-In Yield of such Incremental Term Loans *minus* 50 basis points; *provided further* that any increase in All-In Yield of the ~~New 2017~~2021 Refinancing Term Loans due to the increase in a Eurodollar Rate or Base Rate floor on any Incremental Term Loan shall be effected solely through an increase in any Eurodollar Rate or Base Rate floor applicable to such ~~New 2017~~2021 Refinancing Term Loans.

(9) Reallocation of Revolving Exposure. Upon each Revolving Commitment Increase pursuant to this Section 2.14,

(a) each Revolving Lender immediately prior to such increase will automatically and without further act be deemed to have assigned to each lender providing a portion of such increase (each an "**Incremental Revolving Lender**"), and each such Incremental Revolving Lender will automatically and without further act be deemed to have assumed, a portion of such Revolving Lender's participations hereunder in outstanding Letters of Credit and Swing Line Loans such that, after giving effect to each such deemed assignment and assumption of participations, the percentage of the aggregate outstanding participations hereunder in Letters of Credit and Swing Line Loans held by each Revolving Lender will equal the percentage of the aggregate Revolving Commitments of all Lenders represented by such Revolving Lender's Revolving Commitments; and

(b) if, on the date of such increase, there are any Revolving Loans outstanding, such Revolving Loans shall on or prior to the effectiveness of such Incremental Revolving Facility be prepaid from the proceeds of Incremental Revolving Loans made hereunder (reflecting such increase in Revolving

all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of, or L/C Borrowings owed to, that Defaulting Lender. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this Section 2.17(1)(b) shall be deemed paid to and redirected by that Defaulting Lender, and each Lender irrevocably consents hereto.

(c) Certain Fees. That Defaulting Lender (i) shall not be entitled to receive any commitment fee pursuant to Section 2.09(1) for any period during which that Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender) and (ii) shall be limited in its right to receive Letter of Credit fees as provided in Section 2.03(9)

(d) Reallocation of Pro Rata Share to Reduce Fronting Exposure. During any period in which there is a Defaulting Lender, for purposes of computing the amount of the obligation of each Non-Defaulting Lender to acquire, refinance or fund participations in Letters of Credit or Swing Line Loans pursuant to Section 2.03, the "Pro Rata Share" of each Non-Defaulting Lender's Revolving Loans and L/C Obligations shall be computed without giving effect to the Commitment of that Defaulting Lender; *provided* that (i) each such reallocation shall be given effect only if, at the date the applicable Lender becomes a Defaulting Lender, no Default or Event of Default has occurred and is continuing; and (ii) the aggregate obligation of each Non-Defaulting Lender to acquire, refinance or fund participations in Letters of Credit or Swing Line Loans shall not exceed the positive difference, if any, of (1) the Commitment of that Non-Defaulting Lender *minus* (2) the aggregate Outstanding Amount of the Revolving Loans of that Non-Defaulting Lender. If the reallocation described above in this clause (d) cannot, or can only partially, be effected, the Borrower shall, without prejudice to any right or remedy available to it hereunder or under any law, (x) first, prepay Swing Line Loans in an amount equal to the Swing Line Lender's Fronting Exposure and (y) second, Cash Collateralize the applicable Issuing Banks' Fronting Exposure in accordance with the procedures set forth in Section 2.03(7).

(2) Defaulting Lender Cure. If the Borrower, the Administrative Agent, the Swing Line Lender and the relevant Issuing Banks agree in writing in their sole discretion that a Defaulting Lender should no longer be deemed to be a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), that Lender will, to the extent applicable, purchase that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Revolving Loans of the applicable Facility and funded and unfunded participations in Letters of Credit and Swing Line Loans to be held on a pro rata basis by the Lenders in accordance with their Pro Rata Share of the applicable Facility (without giving effect to Section 2.17(1)(d)), whereupon that Lender will cease to be a Defaulting Lender; *provided* that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; *provided further* that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. So long as any Lender is a Defaulting Lender, (i) the Swing Line Lender shall not be required to fund any Swing Line Loans unless it is satisfied that it will have no Fronting Exposure after giving effect to such Swing Line Loan and (ii) no Issuing Bank shall be required to issue, extent, renew or increase any Letter of Credit unless it is satisfied that it will have no Fronting Exposure after giving effect thereto.

SECTION 2.18 Loan Repricing Protection.

In the event that:

(1) on or prior to the twelve-month anniversary of the Amendment No. 8 Effective Date, the Borrower (a) makes any prepayment of Closing Date Term Loans pursuant to Section 2.05(1)(a) or 2.05(2)(d), such prepayment shall be accompanied by a premium equal to 1.00% of the principal amount of the Closing Date Term Loans so prepaid or (b) effects any amendment of this Agreement resulting in a Repricing Transaction (interpreted for the purposes of this clause (b) without giving effect to the proviso in the definition of "Repricing Transaction"),

the Borrower shall pay to the Administrative Agent, for the ratable account of each applicable Lender a payment equal to 1.00% of the aggregate principal amount of the applicable Closing Date Term Loans outstanding immediately prior to such amendment that is subject to such Repricing Transaction; and

~~In~~(2) after the ~~event that, on or prior to the six month~~twelve-month anniversary of the Amendment No. ~~5~~8 Effective Date and on or prior to the eighteen-month anniversary of the Amendment No. 8 Effective Date, , the Borrower (a) makes any prepayment of Closing Date Term Loans in connection with any Repricing Transaction or (b) effects any amendment of this Agreement resulting in a Repricing Transaction, the Borrower shall pay to the Administrative Agent, for the ratable account of each applicable Lender, (i) in the case of clause (a), a prepayment premium of 1.00% of the aggregate principal amount of the Closing Date Term Loans being prepaid and (ii) in the case of clause (b), a payment equal to 1.00% of the aggregate principal amount of the applicable Closing Date Term Loans outstanding immediately prior to such amendment that is subject to such Repricing Transaction.

ARTICLE III

Taxes, Increased Costs Protection and Illegality

SECTION 3.01 Taxes.

(1) Except as required by applicable Law, any and all payments by any Loan Party to or for the account of any Agent or any Lender under any Loan Document shall be made free and clear of and without deduction for any Taxes.

(2) If any Loan Party or any other applicable withholding agent is required by applicable Law to make any deduction or withholding on account of any Taxes from any sum paid or payable by any Loan Party to any Lender or Agent under any of the Loan Documents:

(a) the applicable Loan Party shall notify the Administrative Agent of any such requirement or any change in any such requirement as soon as such Loan Party becomes aware of it;

(b) the applicable Loan Party or other applicable withholding agent shall be entitled to make such deduction or withholding and shall pay any amounts deducted or withheld to the relevant Governmental Authority any such Tax before the date on which penalties attach thereto, such payment to be made (if the liability to pay is imposed on any Loan Party) for its own account or (if that liability is imposed on the Lender or Agent) on behalf of and in the name of the Lender or Agent (as applicable);

(c) if the Tax in question is a Non-Excluded Tax or Other Tax, the sum payable to such Lender or Agent (as applicable) shall be increased by such Loan Party to the extent necessary to ensure that, after the making of any required deduction or withholding for Non-Excluded Taxes or Other Taxes (including any deductions or withholdings for Non-Excluded Taxes or Other Taxes attributable to any payments required to be made under this Section 3.01), the Lender or the Agent (as applicable) receives on the due date a net sum equal to what it would have received had no such deduction or withholding been required or made; and

(d) within thirty days after paying any sum from which it is required by Law to make any deduction or withholding, and within thirty days after the due date of payment of any Tax which it is required by clause (b) above to pay, the Borrower shall deliver to the Administrative Agent evidence reasonably satisfactory to the other affected parties of such deduction or withholding and of the remittance thereof to the relevant Governmental Authority.

(3) Status of Lender. The Administrative Agent and each Lender shall, at such times as are reasonably requested by the Borrower or the Administrative Agent, provide the Borrower and the Administrative Agent with any documentation prescribed by Laws or reasonably requested by the Borrower or the Administrative Agent certifying as to any entitlement of such Lender to an exemption from, or reduction in, withholding Tax with respect

which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Eurodollar Rate component of the Base Rate) or (ii) with respect to Loans denominated in an Alternative Currency, the interest rate with respect to such Loans shall be determined by an alternative rate determined by the Administrative Agent in consultation with the Borrower, either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such Eurodollar Rate Loans or CDOR Loans to such day, or immediately, if such Lender may not lawfully continue to maintain such Eurodollar Rate Loans or CDOR Loans and (b) if such notice asserts the illegality of such Lender determining or charging interest rates based upon the Eurodollar Rate component of the Base Rate with respect to any Base Rate Loans, the Administrative Agent shall during the period of such suspension compute the Base Rate applicable to such Lender without reference to the Eurodollar Rate component thereof until the Administrative Agent is advised in writing by such Lender that it is no longer illegal for such Lender to determine or charge interest rates based upon the Eurodollar Rate. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted.

~~SECTION 3.03 Inability to Determine Rates. If the Required Lenders reasonably determine that for any reason in connection with any request for a Eurodollar Rate Loan or CDOR Loan or a conversion to or continuation thereof that~~

~~(1) Dollar deposits are not being offered to banks in the London interbank eurodollar market for the applicable amount and Interest Period of such Eurodollar Rate Loan,~~

~~(2) adequate and reasonable means do not exist for determining the Eurodollar Rate or CDOR Rate for any requested Interest Period with respect to a proposed Eurodollar Rate Loan or in connection with an existing or proposed Base Rate Loan, or~~

~~(3) the Eurodollar Rate or CDOR Rate for any requested Interest Period with respect to a proposed Eurodollar Rate Loan or CDOR Loan does not adequately and fairly reflect the cost to such Lenders of funding such Loan,~~

~~the Administrative Agent will promptly so notify the Borrower and each Lender. Thereafter, (i) the obligation of the Lenders to make or maintain Eurodollar Rate Loans or CDOR Loans, as the case may be, shall be suspended, and (ii) in the event of a determination described in the preceding sentence with respect to the Eurodollar Rate component of the Base Rate, the utilization of the Eurodollar Rate component in determining the Base Rate shall be suspended, in each case until the Administrative Agent (upon the instruction of the Required Lenders) revokes such notice. Upon receipt of such notice, the Borrower may revoke any pending request for a Borrowing of, conversion to or continuation of Eurodollar Rate Loans or, failing that, will be deemed to have converted such request into a request for a Borrowing of Base Rate Loans in the amount specified therein (or, in the case of a pending request with respect to a Loan denominated in an Alternative Currency, the Borrower and the Lenders may establish a mutually acceptable alternative rate).~~

SECTION 3.03 Effect of Benchmark Transition Event.

(1) Benchmark Replacement. Notwithstanding anything to the contrary herein or in any other Loan Document, if a Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any determination of the Benchmark on any date, the Benchmark Replacement will replace the then current Benchmark for all purposes hereunder or under any Loan Document in respect of such determination on such date and all determinations on all subsequent dates. If the Benchmark Replacement is determined in accordance with clause (1) or (2) of the definition of "Benchmark Replacement", such Benchmark Replacement will become effective as of the Reference Time on the applicable Benchmark Replacement Date without any amendment to, or further action or consent of any other party to, this Agreement. If the Benchmark Replacement is determined in accordance with clause (3) of the definition of "Benchmark Replacement", such Benchmark Replacement will become effective at 5:00 p.m., New York time, on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document so long as the Administrative Agent has not received, by such time, written notice of objection to such Benchmark

Replacement from Lenders comprising the Required Lenders of each Class affected thereby. Notwithstanding anything to the contrary herein or in any other Loan Document and subject to the proviso below in this paragraph, if a Term SOFR Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then the applicable Benchmark Replacement will replace the then-current Benchmark for all purposes hereunder or under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings, without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document; *provided* that, this sentence shall not be effective unless the Administrative Agent has delivered to the Lenders and the Borrower a Term SOFR Notice. For the avoidance of doubt, the Administrative Agent shall not be required to deliver a Term SOFR Notice after a Term SOFR Transition Event and may do so in its sole discretion.

(2) Benchmark Replacement Conforming Changes. In connection with the implementation of a Benchmark Replacement, the Administrative Agent will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

(3) Notices; Standards for Decisions and Determinations. The Administrative Agent will promptly notify the Borrower and the Lenders of (i) any occurrence of a Benchmark Transition Event, a Term SOFR Transaction Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date, (ii) the implementation of any Benchmark Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming Changes, (iv) the removal or reinstatement of any tenor of a Benchmark pursuant to clause (4) below and (v) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 3.03, including any determination with respect to a tenor, rate or adjustment or of the occurrence or nonoccurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its sole discretion and without consent from any other party hereto, except, in each case, as expressly required pursuant to this Section 3.03.

(4) Tenor. Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including Term SOFR or LIBOR) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is or will be no longer representative, then the Administrative Agent may modify the definition of "Interest Period" for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is or will no longer be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of "Interest Period" for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(a) Benchmark Unavailability Period. Upon the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrower may revoke any request for a Borrowing of, conversion to or continuation of Eurodollar Rate Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Borrower will be deemed to have converted any such request into a request for a Borrowing of or conversion to Base Rate Loans. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, clause (c) of the definition of "Base Rate" based upon the Adjusted Eurocurrency Rate (i.e., the then-current Benchmark or such tenor for such Benchmark, as applicable) will not be used in any determination of Base Rate. Furthermore, if any Eurodollar Rate Loan is outstanding on the date of the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period with respect to a Eurodollar Rate applicable to such Eurodollar Rate Loan, on the last day of the Interest Period applicable to such Loan (or the next succeeding Business Day, if such day is not a Business Day), such Loan shall be converted by the Administrative Agent to, and shall constitute, a Base Rate Loan on such day.

(5) The Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, the administration, submission or any other matter related to the London interbank offered rate or other rates in the definition of "Eurodollar Rate" or "CDOR Rate" or with respect to any alternative or successor rate thereto, or replacement rate thereof including, without limitation, (i) any such alternative, successor or replacement rate implemented pursuant to this Section 3.03, whether upon the occurrence of a Benchmark Transition Event or an Early Opt-in Election, and (ii) the implementation of any Benchmark Replacement Conforming Changes pursuant to Section 3.03(2), including without limitation, whether the composition or characteristics of any such alternative, successor or replacement reference rate will be similar to, or produce the same value or economic equivalence of, the Eurodollar Rate (or CDOR Rate, as applicable) or have the same volume or liquidity as did the London interbank offered rate prior to its discontinuance or unavailability.

SECTION 3.04 Increased Cost and Reduced Return; Capital Adequacy; Reserves on Eurodollar Rate Loans and CDOR Loans.

(1) Increased Costs Generally. If any Change in Law shall:

(a) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender;

(b) subject any Lender to any tax of any kind whatsoever with respect to this Agreement or any Eurodollar Rate Loan or CDOR Loan made by it, or change the basis of taxation of payments to such Lender in respect thereof (except for Non-Excluded Taxes or Other Taxes covered by Section 3.01 and any Excluded Taxes); or

(c) impose on any Lender or the London interbank market any other condition, cost or expense affecting this Agreement or Eurodollar Rate Loans or CDOR Loans made by such Lender that is not otherwise accounted for in the definition of "Eurodollar Rate", "CDOR Rate" or this clause (c);

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any Loan the interest on which is determined by reference to the Eurodollar Rate or the CDOR Rate (or of maintaining its obligation to make any such Loan), or to increase the cost to such Lender, or to reduce the amount of any sum received or receivable by such Lender (whether of principal, interest or any other amount) then, from time to time within fifteen (15) days after demand by such Lender setting forth in reasonable detail such increased costs (with a copy of such demand to the Administrative Agent), the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered; *provided* that such amounts shall only be payable by the Borrower to the applicable Lender under this Section 3.04(1) so long as it is such Lender's general policy or practice to demand compensation in similar circumstances under comparable provisions of other financing agreements.

(2) Capital Requirements. If any Lender reasonably determines that any Change in Law affecting such Lender or any Lending Office of such Lender or such Lender's holding company, if any, regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by it, or participations in or issuance of Letters of Credit by such Lender, to a level below that which such Lender or such Lender's holding company, as the case may be, could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy), then from time to time upon demand of such Lender setting forth in reasonable detail the charge and the calculation of such reduced rate of return (with a copy of such demand to the Administrative Agent), the Borrower will pay to such Lender additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered; *provided* that such amounts shall only be payable by the

(v) in the case of any such assignment resulting from a claim for compensation under Section 3.04 or payments required to be made pursuant to Section 3.01, such assignment will result in a reduction in such compensation or payments thereafter;

(vi) such assignment does not conflict with applicable Laws;

(vii) any Lender that acts as an Issuing Bank may not be replaced hereunder at any time when it has any Letter of Credit outstanding hereunder unless arrangements reasonably satisfactory to such Issuing Bank (including the furnishing of a back-up standby letter of credit in form and substance, and issued by an issuer, reasonably satisfactory to such Issuing Bank or the depositing of Cash Collateral into a Cash Collateral Account in amounts and pursuant to arrangements reasonably satisfactory to such Issuing Bank) have been made with respect to each such outstanding Letter of Credit; and

(viii) the Lender that acts as Administrative Agent cannot be replaced in its capacity as Administrative Agent other than in accordance with Section 9.11, or

(b) terminate the Commitment of such Lender or Issuing Bank, as the case may be, and (A) in the case of a Lender (other than an Issuing Bank), repay all Obligations of the Borrower owing to such Lender relating to the Loans and participations held by such Lender as of such termination date (including in the case of a Repricing Transaction, any "prepayment premium" pursuant to Section 2.18 that would otherwise be owed in connection therewith) and (B) in the case of an Issuing Bank, repay all Obligations of the Borrower owing to such Issuing Bank relating to the Loans and participations held by such Issuing Bank as of such termination date and Cash Collateralize, cancel or backstop, or provide for the deemed reissuance under another facility, on terms satisfactory to such Issuing Bank any Letters of Credit issued by it; *provided* that in the case of any such termination of the Commitment of a Non-Consenting Lender such termination shall be sufficient (together with all other consenting Lenders) to cause the adoption of the applicable consent, waiver or amendment of the Loan Documents and such termination shall, with respect to clause (3) above, be in respect of all of its interests, rights and obligations with respect to the Class of Loans or Commitments that is the subject of the related consent, waiver and amendment.

In the event that (i) the Borrower or the Administrative Agent has requested that the Lenders consent to a departure or waiver of any provisions of the Loan Documents or agree to any amendment thereto, (ii) the consent, waiver or amendment in question requires the agreement of each Lender, all affected Lenders or all the Lenders or all affected Lenders with respect to a certain Class or Classes of the Loans/Commitments and (iii) the Required Lenders, Required Revolving Lenders or Required Facility Lenders, as applicable, have agreed to such consent, waiver or amendment, then any Lender who does not agree to such consent, waiver or amendment shall be deemed a "**Non-Consenting Lender**."

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

SECTION 3.08 Inability to Determine Rates. If the Required Lenders reasonably determine that for any reason in connection with any request for a Eurodollar Rate Loan or CDOR Loan or a conversion to or continuation thereof, provided that no Benchmark Transition Event shall have occurred at such time, that:

(1) Dollar deposits are not being offered to banks in the London interbank eurodollar market for the applicable amount and Interest Period of such Eurodollar Rate Loan,

(2) adequate and reasonable means do not exist for determining the Eurodollar Rate or CDOR Rate for any requested Interest Period with respect to a proposed Eurodollar Rate Loan or in connection with an existing or proposed Base Rate Loan, or

(3) the Eurodollar Rate or CDOR Rate for any requested Interest Period with respect to a proposed Eurodollar Rate Loan or CDOR Loan does not adequately and fairly reflect the cost to such Lenders of funding such Loan,

the Administrative Agent will promptly so notify the Borrower and each Lender. Thereafter, (i) the obligation of the Lenders to make or maintain Eurodollar Rate Loans or CDOR Loans, as the case may be, shall be suspended, and (ii) in the event of a determination described in the preceding sentence with respect to the Eurodollar Rate component of the Base Rate, the utilization of the Eurodollar Rate component in determining the Base Rate shall be suspended, in each case until the Administrative Agent (upon the instruction of the Required Lenders) revokes such notice. Upon receipt of such notice, the Borrower may revoke any pending request for a Borrowing of, conversion to or continuation of Eurodollar Rate Loans or, failing that, will be deemed to have converted such request into a request for a Borrowing of Base Rate Loans in the amount specified therein (or, in the case of a pending request with respect to a Loan denominated in an Alternative Currency, the Borrower and the Lenders may establish a mutually acceptable alternative rate)

SECTION 3.09 ~~SECTION 3.08~~ Survival. All of the Borrower's obligations under this Article III shall survive termination of the Aggregate Commitments, repayment of all other Obligations hereunder and resignation of the Administrative Agent.

ARTICLE IV

Conditions Precedent to Credit Extensions

SECTION 4.01 Conditions to Credit Extensions on Closing Date. The obligation of each Lender to make a Credit Extension hereunder on the Closing Date is subject to satisfaction (or waiver) of the following conditions precedent, except as otherwise agreed between the Borrower and the Administrative Agent:

(1) The Administrative Agent's receipt of the following, each of which shall be originals, facsimiles or copies in .pdf format (followed promptly by originals) unless otherwise specified, each properly executed by a Responsible Officer of the signing Loan Party:

(a) a Committed Loan Notice;

(b) executed counterparts of this Agreement and the Guaranty;

(c) each Collateral Document set forth on Schedule 4.01(1)(c) required to be executed on the Closing Date as indicated on such schedule, duly executed by each Loan Party that is party thereto, together with:

(i) certificates, if any, representing the Pledged Collateral referred to therein, and to the extent certificated, accompanied by undated stock powers executed in blank; and

(ii) evidence that all UCC-1 financing statements in the jurisdiction of organization of each Loan Party that the Administrative Agent and the Collateral Agent may deem reasonably necessary to satisfy the Collateral and Guarantee Requirement shall have been provided for, and arrangements for the filing thereof in a manner reasonably satisfactory to the Administrative Agent shall have been made;

(d) certificates of good standing from the secretary of state of the state of organization of each Loan Party (to the extent such concept exists in such jurisdiction), customary certificates of resolutions or other action, incumbency certificates or other certificates of Responsible Officers of each Loan Party evidencing the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with this Agreement and the other Loan Documents to which such Loan Party is a party or is to be a party on the Closing Date;

ARTICLE VI

Affirmative Covenants

So long as the Termination Conditions have not been satisfied, the Borrower shall, and shall (except in the case of the covenants set forth in Sections 6.01, 6.02 and 6.03) cause each of the Restricted Subsidiaries to:

SECTION 6.01 Financial Statements. Deliver to the Administrative Agent for prompt further distribution by the Administrative Agent to each Lender each of the following:

(1) as soon as available, but in any event within ninety (90) days after the end of each fiscal year of the Borrower, commencing with the fiscal year ending December 31, 2015, a consolidated balance sheet of the Borrower and its Subsidiaries as at the end of such fiscal year, and the related consolidated statements of income or operations, stockholders' equity and cash flows for such fiscal year, together with related notes thereto and management's discussion and analysis describing results of operations in the form customarily prepared by management of the Borrower, setting forth in each case in comparative form the figures for the previous fiscal year, in reasonable detail and all prepared in accordance with GAAP, audited and accompanied by a report and opinion of Deloitte & Touche LLP, any other independent registered public accounting firm of nationally recognized standing or another accounting firm reasonably acceptable to the Administrative Agent, which report and opinion (a) will be prepared in accordance with generally accepted auditing standards and (b) will not be subject to any qualification as to the scope of such audit or be subject to any explanatory statement as to the Borrower's ability to continue as a "going concern" or like qualification (other than with respect to (i) an upcoming maturity or (ii) any actual or anticipated inability to satisfy a financial maintenance covenant (including, for the avoidance of doubt, the Financial Covenant and the financial covenant set forth in Section 7.12(1)(b))];

(2) as soon as available, but in any event within forty-five (45) days after the end of each of the first three (3) fiscal quarters of each fiscal year of the Borrower, commencing with the fiscal quarter ending September 30, 2015, a condensed consolidated balance sheet of the Borrower and its Subsidiaries as at the end of such fiscal quarter, and the related (a) condensed consolidated statement of income or operations for such fiscal quarter and for the portion of the fiscal year then ended and (b) condensed consolidated statement of cash flows for the portion of the fiscal year then ended, setting forth, in each case of the preceding clauses (a) and (b), in comparative form the figures for the corresponding fiscal quarter of the previous fiscal year and the corresponding portion of the previous fiscal year, accompanied by an Officer's Certificate stating that such financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Borrower and its Subsidiaries in accordance with GAAP, subject to normal year-end adjustments and the absence of footnotes, together with management's discussion and analysis describing results of operations in the form customarily prepared by management of the Borrower;

(3) within ninety (90) days after the end of each fiscal year, commencing with the 2015 fiscal year, a consolidated budget for the following fiscal year on a quarterly basis as customarily prepared by management of the Borrower for its internal use (including any projected consolidated balance sheet of the Borrower and its Subsidiaries as of the end of the following fiscal year and the related consolidated statements of projected operations or income, in each case, to the extent prepared by management of the Borrower and included in such consolidated budget), which projected financial statements shall be prepared in good faith on the basis of assumptions believed to be reasonable at the time of preparation of such projected financial statements (it being understood by the Secured Parties that any such projections are not to be viewed as facts, are subject to significant uncertainties and contingencies, many of which are beyond the control of the Loan Parties and the Investors and that no assurance can be given that any particular projections will be realized, that actual results may differ and that such differences may be material);

(4) simultaneously with the delivery of each set of consolidated financial statements referred to in Sections 6.01(1) and 6.01(2), the related unaudited (it being understood that such information may be audited at the option of the Borrower) consolidating financial statements reflecting the adjustments necessary to eliminate the accounts of Unrestricted Subsidiaries (if any) from such consolidated financial statements; and

(5) annually, upon request of the Administrative Agent, at a time mutually agreed with the Administrative Agent that is promptly after the delivery of the information required pursuant to Section 6.01(1) above, commencing with the delivery of information with respect to the 2015 fiscal year, to participate in a conference call for Lenders to discuss the financial position and results of operations of the Borrower and its Subsidiaries for the most recently ended period for which financial statements have been delivered.

Notwithstanding the foregoing, the obligations referred to in Sections 6.01(1) and 6.01(2) may be satisfied with respect to financial information of the Borrower and its Subsidiaries by furnishing (A) the applicable financial statements of any Parent Company or (B) the Borrower's or such Parent Company's Form 10-K or 10-Q, as applicable, filed with the SEC (and the public filing of such report with the SEC shall constitute delivery under this Section 6.01); *provided* that with respect to each of the preceding clauses (A) and (B), (1) to the extent such information relates to a parent of the Borrower, if and so long as such Parent Company will have Independent Assets or Operations, such information is accompanied by consolidating information that explains in reasonable detail the differences between the information relating to such Parent Company and its Independent Assets or Operations, on the one hand, and the information relating to the Borrower and the consolidated Restricted Subsidiaries on a stand-alone basis, on the other hand and (2) to the extent such information is in lieu of information required to be provided under Section 6.01(1) (it being understood that such information may be audited at the option of the Borrower), such materials are accompanied by a report and opinion of Deloitte & Touche LLP, any other independent registered public accounting firm of nationally recognized standing or another accounting firm reasonably acceptable to the Administrative Agent, which report and opinion (x) shall be prepared in accordance with generally accepted auditing standards and (y) shall not be subject to any qualification as to the scope of such audit or be subject to any explanatory statement as to the Borrower's ability to continue as a "going concern" or like qualification (other than with respect to (i) an upcoming maturity or (ii) any actual or anticipated inability to satisfy a financial maintenance covenant (including, for the avoidance of doubt, the Financial Covenant and the financial covenant set forth in Section 7.12(1)(b))).

Any financial statements required to be delivered pursuant to Sections 6.01(1) or 6.01(2) shall not be required to contain all purchase accounting adjustments relating to the Transactions or any other transaction(s) permitted hereunder to the extent it is not practicable to include any such adjustments in such financial statements.

SECTION 6.02 Certificates; Other Information. Deliver to the Administrative Agent for prompt further distribution by the Administrative Agent to each Lender:

(1) no later than five (5) days after the delivery of the financial statements referred to in Sections 6.01(1) and (2) (commencing with such delivery for the fiscal quarter ending September 30, 2015), a duly completed Compliance Certificate signed by a Financial Officer of the Borrower; *provided* that if such Compliance Certificate demonstrates a Financial Covenant Event of Default, any of the Permitted Holders may deliver, prior to or together with such Compliance Certificate, a notice of an intent to cure (a "**Notice of Intent to Cure**") pursuant to Section 8.02 to the extent permitted thereunder;

(2) promptly after the same are publicly available, copies of all annual, regular, periodic and special reports, proxy statements and registration statements which the Borrower or any Restricted Subsidiary files with the SEC or with any Governmental Authority that may be substituted therefor or with any national securities exchange, as the case may be (other than amendments to any registration statement (to the extent such registration statement, in the form it became effective, is delivered to the Administrative Agent), exhibits to any registration statement and, if applicable, any registration statement on Form S-8), and in any case not otherwise required to be delivered to the Administrative Agent pursuant to any other clause of this Section 6.02;

(3) promptly after the furnishing thereof, copies of any notices of default to any holder of any class or series of debt securities of any Loan Party having an aggregate outstanding principal amount greater than the Threshold Amount or pursuant to the terms of the Senior Notes Indenture so long as the aggregate outstanding principal amount thereunder is greater than the Threshold Amount (in each case, other than in connection with any

Subsidiary but continuing as a Restricted Subsidiary of the Borrower, (y) upon the acquisition of any material assets by the Borrower or any Subsidiary Guarantor or (z) with respect to any Subsidiary at the time it becomes a Loan Party, for any material assets held by such Subsidiary (in each case, other than assets constituting Collateral under a Collateral Document that becomes subject to the Lien created by such Collateral Document upon acquisition thereof (without limitation of the obligations to perfect such Lien)):

(a) within ~~sixty~~ninety (~~60~~90) days (or such greater number of days specified below) after such formation, acquisition or designation or, in each case, such longer period as the Administrative Agent may agree in its reasonable discretion cause such Material Domestic Subsidiary required to become a Guarantor under the Collateral and Guarantee Requirement to execute the Guaranty (or a joinder thereto) and other documentation the Administrative Agent may reasonably request from time to time in order to carry out more effectively the purposes of the Guaranty and the Collateral Documents and

(A) within ~~sixty~~ninety (~~60~~90) days (or within ~~one hundred (120) days in~~the time period set forth in Section 6.11(2)(b) the case of documents listed in Section 6.11(2)(b)) after such formation, acquisition or designation, cause each such Material Domestic Subsidiary that is required to become a Subsidiary Guarantor pursuant to the Collateral and Guarantee Requirement to duly execute and deliver to the Collateral Agent~~,~~ (or a Mortgage Collateral Trustee, if applicable), Mortgages and the other items listed in Section 6.11(2)(b), *mutatis mutandis*, with respect to any Material Real Property, supplements to the Security Agreement, a counterpart signature page to the Intercompany Subordination Agreement, Intellectual Property Security Agreements and other security agreements and documents, as reasonably requested by and in form and substance reasonably satisfactory to the Collateral Agent (consistent with the Security Agreement, Intellectual Property Security Agreements and other Collateral Documents in effect on the Closing Date), in each case granting and perfecting Liens required by the Collateral and Guarantee Requirement;

(B) within ~~sixty~~ninety (~~60~~90) days after such formation, acquisition or designation, cause each such Material Domestic Subsidiary that is required to become a Guarantor pursuant to the Collateral and Guarantee Requirement to deliver any and all certificates representing Equity Interests (to the extent certificated) that are required to be pledged pursuant to the Collateral and Guarantee Requirement, accompanied by undated stock powers or other appropriate instruments of transfer executed in blank and a joinder to the Intercompany Subordination Agreement substantially in the form of Annex I thereto with respect to the intercompany Indebtedness held by such Material Domestic Subsidiary;

(C) within ~~sixty~~ninety (~~60~~90) days (or within ~~one hundred and twenty~~the time period set forth in Section 6.11(~~120~~2) ~~days~~(b) in the case of documents listed in Section 6.11(2)(b)) after such formation, acquisition or designation, take and cause (i) the applicable Material Domestic Subsidiary that is required to become a Guarantor pursuant to the Collateral and Guarantee Requirement and (ii) to the extent applicable, each direct or indirect parent of such applicable Material Domestic Subsidiary, in each case, to take customary action(s) (including the recording of Mortgages, the filing of Uniform Commercial Code financing statements and delivery of stock and membership interest certificates to the extent certificated) as may be necessary in the reasonable opinion of the Administrative Agent to vest in the Collateral Agent (or in any representative of the Collateral Agent designated by it) valid and perfected (subject to Liens permitted by Section 7.01) Liens required by the Collateral and Guarantee Requirement, enforceable against all third parties in accordance with their terms, except as such enforceability may be limited by Debtor Relief Laws and by general principles of equity (regardless of whether enforcement is sought in equity or at law); and

(D) within ~~sixty~~ninety (~~60~~90) days (or ~~one hundred and twenty~~within the time period set forth in Section 6.11(~~120~~2) ~~days~~(b) in the case of documents listed in Section 6.11(2)(b)) after the reasonable request therefor by the Administrative Agent (or such longer period as the Administrative Agent may agree in its reasonable discretion), deliver to the

Administrative Agent a signed copy of a customary Opinion of Counsel, addressed to the Administrative Agent and the Lenders, of counsel for the Loan Parties reasonably acceptable to the Administrative Agent as to such matters set forth in this Section 6.11(1) as the Administrative Agent may reasonably request;

provided that actions relating to Liens on real property are governed by Section 6.11(2) and not this Section 6.11(1).

(2) Material Real Property.

(a) Notice.

(i) Within ~~sixty~~ninety (~~60~~90) days (or such longer period as the Collateral Agent may agree in its reasonable discretion), after the formation, acquisition or designation of a Material Domestic Subsidiary that is required to become a Subsidiary Guarantor under the Collateral and Guarantee Requirement, the Borrower will, or will cause such Material Domestic Subsidiary to, furnish to the Collateral Agent a description of any Material Real Property (other than any Excluded Asset(s)) owned by such Material Domestic Subsidiary.

(ii) Within ~~sixty~~ninety (~~60~~90) days (or such longer period as the Collateral Agent may agree in its reasonable discretion), after the acquisition of any Material Real Property (other than any Excluded Asset(s)) by a Loan Party (other than Holdings), after the Closing Date, the Borrower will, or will cause such Loan Party to, furnish to the Collateral Agent a description of any such Material Real Property.

(b) Mortgages. The Borrower will, or will cause the applicable Loan Party to, provide the Collateral Agent (or a Mortgage Collateral Trustee, if applicable) with a Mortgage with respect to any Material Real Property that is the subject of a notice delivered pursuant to Section 6.11(2)(a), within one hundred eighty (180) days of the acquisition, formation or designation of such Material Domestic Subsidiary or the acquisition of such Material Real Property (or, following the Covenant Modification Period, two hundred seventy-five (275) days of the acquisition, formation or designation of such Material Domestic Subsidiary or the acquisition of such Material Real Property if the Borrower provides notice within ninety (90) days of the acquisition, formation or designation of such Material Domestic Subsidiary or the acquisition of such Material Real Property to the Administrative Agent of its intention to consummate a Specified Sale-Leaseback Transaction with respect to such Material Real Property) (or such longer period as the Collateral Agent may agree in its sole discretion), together with:

(i) evidence that counterparts of the Mortgages have been duly executed, acknowledged and delivered and are in form suitable for filing or recording in all filing or recording offices that the Collateral Agent may deem reasonably necessary or desirable in order to create, except to the extent otherwise provided hereunder, including subject to Liens permitted by Section 7.01, a valid and subsisting perfected Lien on such Material Real Property in favor of the Collateral Agent (or a Mortgage Collateral Trustee, if applicable) for the benefit of the Secured Parties and that all filing and recording taxes and fees have been paid or otherwise provided for in a manner reasonably satisfactory to the Collateral Agent;

(ii) fully paid American Land Title Association Lender's Extended Coverage title insurance policies or the equivalent or other form available in each applicable jurisdiction (the "**Mortgage Policies**") in form and substance, with endorsements available in the applicable jurisdiction and in amounts, reasonably acceptable to the Collateral Agent (not to exceed the fair market value of the real properties covered thereby), issued, coinsured and reinsured by title insurers reasonably acceptable to the Collateral Agent, insuring the Mortgages to be valid subsisting Liens on the property described therein, subject only to Liens permitted by Section 7.01 or such other Liens reasonably satisfactory to the Collateral Agent that do not have an adverse impact on the use or value of the Mortgaged Properties, and providing for such other affirmative insurance (including endorsements for future advances under the Loan Documents) and such coinsurance and direct access reinsurance as the Collateral Agent may reasonably request and is available in the applicable jurisdiction;

(iii) customary Opinions of Counsel for the applicable Loan Parties in states in which such Material Real Properties are located, with respect to the enforceability and perfection of the Mortgage(s) and any related fixture filings, the authorization, execution and delivery of the Mortgages and such other matters as the Collateral Agent may reasonably request, in form and substance reasonably satisfactory to the Collateral Agent;

(iv) American Land Title/American Congress on Surveying and Mapping surveys for each Material Real Property or existing surveys together with no change Mortgaged affidavits, in each case certified to the Collateral Agent if deemed necessary by Collateral Agent in its reasonable discretion, sufficient for the title insurance company issuing a Mortgage Policy to remove the standard survey exception and issue standard survey related endorsements and otherwise reasonably satisfactory to the Collateral Agent (if reasonably requested by the Collateral Agent);

(v) a completed "Life-of-Loan" Federal Emergency Management Agency standard flood hazard determination with respect to each Material Real Property containing improved land addressed to the Collateral Agent and otherwise in compliance with the Flood Insurance Laws, and if any such Material Real Property is located in an area determined by the Federal Emergency Management Agency (or any successor agency) to be a special flood hazard area, the Borrower's duly executed acknowledgement of receipt of written notification from the Collateral Agent about special flood hazard area status and flood disaster assistance and evidence that the Borrower or applicable Loan Party has obtained flood insurance reasonably satisfactory to the Collateral Agent that is in compliance with all applicable requirements of the Flood Insurance Laws; and

(vi) as promptly as practicable after the reasonable request therefor by the Collateral Agent, environmental assessment reports and reliance letters (if any) that have been prepared in connection with such acquisition, designation or formation of any Material Domestic Subsidiary or acquisition of any Material Real Property.

Notwithstanding anything to the foregoing and upon the reasonable agreement of the Borrower and the Collateral Agent, the Borrower or the applicable Guarantor may satisfy the Collateral and Guarantee Requirement with respect to the delivery of a Mortgage on any Material Real Property pursuant to Section 6.11(2)(b) by delivering a mortgage to a Mortgage Collateral Trustee or amending an existing mortgage to be in favor of a Mortgage Collateral Trustee and to secure the Obligations in addition to the obligations under the Secured Notes Indenture (and any Additional Obligations (as defined in the Amendment No. 8 Intercreditor Agreement, as applicable) and to otherwise be in form and substance reasonably satisfactory to the Collateral Agent.

SECTION 6.12 Compliance with Environmental Laws. Except, in each case, to the extent that the failure to do so would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (1) comply, and take all reasonable actions to cause any lessees and other Persons operating or occupying its properties to comply, with all applicable Environmental Laws and Environmental Permits (including any cleanup, removal or remedial obligations) and (2) obtain and renew all Environmental Permits required to conduct its operations or in connection with its properties.

SECTION 6.13 Further Assurances and Post-Closing Covenant.

(1) Subject to the provisions of the Collateral and Guarantee Requirement and any applicable limitations in any Collateral Document and in each case at the expense of the Borrower, promptly upon reasonable request from time to time by the Administrative Agent or the Collateral Agent or as may be required by applicable Laws (a) correct any material defect or error that may be discovered in the execution, acknowledgment, filing or recordation of any Collateral Document or other document or instrument relating to any Collateral, and (b) do, execute, acknowledge, deliver, record, re-record, file, re-file, register and re-register any and all such further acts, deeds, certificates, assurances and other instruments as the Administrative Agent or Collateral Agent may reasonable request from time to time in order to carry out more effectively the purposes of the Collateral Documents and to satisfy the Collateral and Guarantee Requirement.

(2) As promptly as practicable, and in any event no later than ninety (90) days after the Closing Date or such later date as the Administrative Agent reasonably agrees to in writing, including to reasonably accommodate circumstances unforeseen on the Closing Date, deliver the documents or take the actions required pursuant to sub clauses (i) through (vi) of Section 6.11(2)(b) hereof with respect to any Mortgaged Properties listed in Schedule 1.01(2), including the Phase I Environmental Site Assessments prepared by EMG in connection with the Transactions, as if notice had been provided with respect to such Mortgaged Properties listed in Schedule 1.01(2), except to the extent otherwise agreed by the Administrative Agent pursuant to its authority as set forth in the definition of the term "Collateral and Guarantee Requirement."

SECTION 6.14 Use of Proceeds.

(1) The proceeds of the Closing Date Term Loans (other than the~~2017 Refinancing Term Loans and the New 2017~~2021 Refinancing Term Loans) and Closing Date Revolving Borrowings, together with the proceeds of the Equity Contribution and the Senior Notes, will be used on the Closing Date to (a) repay Indebtedness incurred under the Existing Credit Agreement and certain other Indebtedness, in each case together with any premium and accrued and unpaid interest thereon and any fees and expenses with respect thereto, (b) pay (i) any original issue discount or upfront fees in connection with the Transactions resulting from the exercise of any "market flex" pursuant to the Fee Letter, (ii) the Transaction Consideration and (iii) the Transaction Expenses and (c) to the extent any such proceeds remain after the foregoing uses, for general corporate purposes not prohibited by the terms of this Agreement.

(2) The proceeds of the Revolving Loans and Swing Line Loans borrowed after the Closing Date will be used for working capital and other general corporate purposes, including the financing of transactions that are not prohibited by the terms of this Agreement (including Permitted Acquisitions and other investments permitted hereunder).

(3) Letters of Credit will be used by the Borrower for general corporate purposes of the Borrower, Holdings and the Restricted Subsidiaries, including supporting transactions not prohibited by the Loan Documents.

SECTION 6.15 Maintenance of Ratings. Use commercially reasonable efforts to maintain (1) a public corporate credit ratingor public corporate family rating, as applicable (but not any specific rating), from any two of S&P~~ and a public corporate family rating (but not any specific rating) from~~, Moody's and Fitch, in each case in respect of the Borrower, and (2) a public rating (but not any specific rating) in respect of each Term Facility as of the Closing Date from ~~each~~any two of S&P~~ and~~, Moody's and Fitch.

ARTICLE VII

Negative Covenants

So long as the Termination Conditions are not satisfied:

SECTION 7.01 Liens. The Borrower shall not, nor shall the Borrower permit any Restricted Subsidiary to, directly or indirectly, create, incur or assume any Lien (except any Permitted Lien(s)) that secures obligations under any Indebtedness or any related guarantee of Indebtedness on any asset or property of the Borrower or any Restricted Subsidiary, or any income or profits therefrom.

The expansion of Liens by virtue of accretion or amortization of original issue discount, the payment of dividends in the form of Indebtedness, and increases in the amount of Indebtedness outstanding solely as a result of fluctuations in the exchange rate of currencies will not be deemed to be an incurrence of Liens for purposes of this Section 7.01.

Notwithstanding the foregoing, during the Covenant Modification Period, the Borrower shall not be permitted to incur (x) Indebtedness secured by Liens under clause (39) of the definition of Permitted Liens or Incremental Facilities secured on a *pari passu* basis with the Liens that secure the Closing Date Loans and the 2021 Initial Revolving Facility, (y) Liens securing obligations in respect of Indebtedness, Disqualified Stock or Preferred Stock permitted to be incurred pursuant to clause (12)(a) of Section 7.02(b) or (z) Liens permitted by clause (21) of the definition of "Permitted Liens" securing Indebtedness.

SECTION 7.02 Indebtedness.

(a) The Borrower shall not, nor shall the Borrower permit any Restricted Subsidiary to, directly or indirectly:

(i) create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise (collectively, "**incur**" and collectively, an "**incurrence**") with respect to any Indebtedness (including Acquired Indebtedness), or

(ii) issue any shares of Disqualified Stock or permit any Restricted Subsidiary to issue any shares of Disqualified Stock or Preferred Stock;

provided that the Borrower may incur Indebtedness (including Acquired Indebtedness) or issue shares of Disqualified Stock, and any Restricted Subsidiary may incur Indebtedness (including Acquired Indebtedness), issue shares of Disqualified Stock and issue shares of Preferred Stock, in each case if no Event of Default exists or would result therefrom (subject to Section 1.07(8)), and either:

(A) the Fixed Charge Coverage Ratio of the Borrower for the Test Period preceding the date on which such additional Indebtedness is incurred or such Disqualified Stock or Preferred Stock is issued (or, in the case of Indebtedness under Designated Revolving Commitments, on the date such Designated Revolving Commitments are established after giving *pro forma* effect to the incurrence of the entire committed amount of Indebtedness thereunder, in which case such committed amount under such Designated Revolving Commitments may thereafter be borrowed and reborrowed, in whole or in part, from time to time, without further compliance with this proviso) would have been (A) at least 2.00 to 1.00 or (B) no less than the Fixed Charge Coverage Ratio immediately prior to giving effect to such incurrence of Indebtedness or issuance of Disqualified Stock or Preferred Stock; or

(B) the Total Net Leverage Ratio of the Borrower for the Test Period preceding the date on which such additional Indebtedness is incurred or such Disqualified Stock or Preferred Stock is issued (or, in the case of Indebtedness under Designated Revolving Commitments, on the date such Designated Revolving Commitments are established after giving *pro forma* effect to the incurrence of the entire committed amount of Indebtedness thereunder, in which case such committed amount under such Designated Revolving Commitments may thereafter be borrowed and reborrowed, in whole or in part, from time to time, without further compliance with this proviso) (without netting any cash received from the incurrence of such Indebtedness) would be no greater than 5.10 to 1.00

in each case, determined on a *pro forma* basis (including a *pro forma* application of the net proceeds therefrom), as if the additional Indebtedness had been incurred, or the Disqualified Stock or Preferred Stock had been issued, as the case may be, and the application of proceeds therefrom had occurred at the beginning of such Test Period;

provided further that Restricted Subsidiaries of the Borrower that are not Guarantors may not incur Indebtedness or issue Disqualified Stock or Preferred Stock under this Section 7.02(a) if, after giving *pro forma* effect to such incurrence or issuance (including a *pro forma* application of the net proceeds therefrom), the aggregate amount of Indebtedness, Disqualified Stock and Preferred Stock of such Restricted Subsidiaries incurred or issued pursuant to this Section 7.02(a) then outstanding would exceed the greater of (1) $100.0 million and (2) an amount equal to the Equivalent Percentage of the amount in the preceding clause (1) multiplied by TTM Run-Rate Adjusted EBITDA of the Borrower for the most recently ended Test Period on the date of such incurrence.

(b) The provisions of Section 7.02(a) will not apply to:

(1) Indebtedness under the Loan Documents (including Incremental Loans, Refinancing Loans and Extended Loans);

(2) the incurrence by the Borrower and any Guarantor of Indebtedness represented by (x) the Senior Notes and any Guarantees thereof (but excluding any Additional Notes (as defined in the Senior Notes Indenture) issued after the Closing Date) or (y) Secured Notes and any Guarantees thereof (but excluding any Additional Notes (as defined in the Secured Notes Indenture) issued after the Amendment No. 8 Effective Date);

(3) (a) the incurrence of Indebtedness by the Borrower and any Restricted Subsidiary in existence on the ~~Closing~~ Amendment No. 8 Effective Date (excluding Indebtedness described in the preceding clauses (1) and (2), but including Indebtedness in respect of Existing Mortgage Debt);

(4) (a) the incurrence of Attributable Indebtedness and (b) Indebtedness (including Capitalized Lease Obligations and Purchase Money Obligations), Disqualified Stock and Preferred Stock incurred or issued by the Borrower or any Restricted Subsidiary and Preferred Stock issued by any Restricted Subsidiary, to finance (x) the construction of the Life Time Living facility in Henderson, Nevada and (y) the purchase, lease, expansion, construction, installation, replacement, repair or improvement of property (real or personal), equipment or other assets, including assets that are used or useful in a Similar Business, whether through the direct purchase of assets or the Capital Stock of any Person owning such assets in an aggregate principal amount, together with any Refinancing Indebtedness in respect thereof (excluding any Incremental Amounts) and all other Indebtedness, Disqualified Stock or Preferred Stock incurred or issued and outstanding under this clause (4)(y), at such time not to exceed the greater of (i) $100.0 million and (ii) the Equivalent Percentage of the amount set forth in clause (i) multiplied by TTM Run-Rate Adjusted EBITDA of the Borrower for the most recently ended Test Period on the date of such incurrence and (c) any Refinancing Indebtedness thereof;

(5) Indebtedness incurred by the Borrower or any Restricted Subsidiary (a) constituting reimbursement obligations with respect to letters of credit, bank guarantees, banker's acceptances, warehouse receipts, or similar instruments issued or entered into, or relating to obligations or liabilities incurred, in the ordinary course of business or consistent with industry practice, including in respect of workers' compensation claims, performance, completion or surety bonds, health, disability or other employee benefits or property, casualty or liability insurance or self-insurance, unemployment insurance or other social security legislation or other Indebtedness with respect to reimbursement-type obligations regarding workers' compensation claims, performance, completion or surety bonds, health, disability or other employee benefits or property, casualty or liability insurance or self-insurance or (b) as an account party in respect of letters of credit, bank guarantees or similar instruments in favor of suppliers, trade creditors or other Persons issued or incurred in the ordinary course of business or consistent with industry practice;

(6) the incurrence of Indebtedness arising from agreements of the Borrower or any Restricted Subsidiary providing for indemnification, adjustment of purchase price, earnouts or similar obligations, in each case, incurred or assumed in connection with the acquisition or disposition of any business, assets or a Subsidiary, other than guarantees of Indebtedness incurred by any Person acquiring all or any portion of such business, assets or a Subsidiary for the purpose of financing such acquisition;

(7) the incurrence of Indebtedness of the Borrower to a Restricted Subsidiary (or to any Parent Company which is substantially contemporaneously transferred to the Borrower or any Restricted Subsidiary); *provided* that any such Indebtedness for borrowed money owing to a Restricted Subsidiary that is not a Guarantor is expressly subordinated in right of payment to the Loans to the extent permitted by

applicable law and it does not result in adverse tax consequences; *provided further* that any subsequent issuance or transfer of any Capital Stock or any other event that results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such Indebtedness (except to the Borrower or another Restricted Subsidiary or any pledge of such Indebtedness constituting a Permitted Lien) will be deemed, in each case, to be an incurrence of such Indebtedness (to the extent such Indebtedness is then outstanding) not permitted by this clause (7);

(8) the incurrence of Indebtedness of a Restricted Subsidiary to the Borrower or another Restricted Subsidiary (or to any Parent Company which is substantially contemporaneously transferred to the Borrower or any Restricted Subsidiary) to the extent permitted by Section 7.05; *provided* that any such Indebtedness for borrowed money incurred by a Guarantor and owing to a Restricted Subsidiary that is not a Guarantor is expressly subordinated in right of payment to the Guaranty of the Loans of such Guarantor to the extent permitted by applicable law and it does not result in adverse tax consequences; *provided further* that any subsequent issuance or transfer of any Capital Stock or any other event which results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any such subsequent transfer of any such Indebtedness (except to the Borrower or a Restricted Subsidiary or any pledge of such Indebtedness constituting a Permitted Lien) will be deemed, in each case, to be an incurrence of such Indebtedness (to the extent such Indebtedness is then outstanding) not permitted by this clause (8);

(9) the issuance of shares of Preferred Stock or Disqualified Stock of a Restricted Subsidiary issued to the Borrower or a Restricted Subsidiary; *provided* that any subsequent issuance or transfer of any Capital Stock or any other event that results in any such Restricted Subsidiary that holds such Preferred Stock or Disqualified Stock ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such shares of Preferred Stock or Disqualified Stock (except to the Borrower or another Restricted Subsidiary or any pledge of such Indebtedness constituting a Permitted Lien) will be deemed, in each case, to be an issuance of such shares of Preferred Stock or Disqualified Stock (to the extent such Preferred Stock is then outstanding) not permitted by this clause (9);

(10) the incurrence of Hedging Obligations (excluding Hedging Obligations entered into for speculative purposes);

(11) the incurrence of Obligations in respect of self-insurance and Obligations in respect of performance, bid, appeal and surety bonds and performance, banker's acceptance facilities and completion guarantees, indemnifications and similar obligations provided by the Borrower or any Restricted Subsidiary or Obligations in respect of letters of credit, bank guarantees, non-recourse carve-outs or similar instruments related thereto, in each case in the ordinary course of business or consistent with industry practice, including those incurred to secure health, safety and environmental obligations;

(12) the incurrence of:

(a) Indebtedness or Disqualified Stock of the Borrower and Indebtedness, Disqualified Stock or Preferred Stock of the Borrower or any Restricted Subsidiary in an aggregate principal amount or liquidation preference up to 100.0% of (i) the net cash proceeds received by the Borrower and its Restricted Subsidiaries since the Closing Date from the issue or sale of Equity Interests of the Borrower and the Guarantors or contributions to the capital of the Borrower and the Guarantors, including through consolidation, amalgamation or merger (in each case, other than proceeds of Disqualified Stock or sales of Equity Interests to the Borrower or any Subsidiary or any exercise of the cure right set forth in Section 8.04) as determined in accordance with clauses (3)(b) and (3)(c) of Section 7.05(a) and (ii) Indebtedness of the Borrower and its Subsidiaries that is converted into Equity Interests (other than Disqualified Stock or sales of Equity Interests to the Borrower or any Subsidiary or any Equity Interests that are preferred shares that bear a cash-pay dividend) to the extent such net cash proceeds or cash have not been applied pursuant to such clauses to make Restricted Payments pursuant to Section 7.05(a) or to make

(23) will cease to be deemed incurred or issued or outstanding for the purpose of this clause (23) but will be deemed incurred or issued for the purposes of Section 7.02(a) or under clause (2) of the definition of Permitted Incremental Amount from and after the first date on which the Borrower or such Restricted Subsidiaries could have incurred such Indebtedness under Section 7.02(a) or under clause (2) of the definition of Permitted Incremental Amount without reliance on this clause (23);

(24) the incurrence of Indebtedness by the Borrower or any Restricted Subsidiary undertaken in connection with cash management (including netting services, automatic clearinghouse arrangements, overdraft protections, employee credit card programs and related or similar services or activities) with respect to the Borrower, any Subsidiaries or any joint venture in the ordinary course of business or consistent with industry practice, including with respect to financial accommodations of the type described in the definition of Cash Management Services;

(25) ~~[reserved]~~the incurrence of mortgage Indebtedness on fee-owned or ground leased real property that is not Material Real Property;

(26) guarantees incurred in the ordinary course of business or consistent with industry practice in respect of obligations to suppliers, customers, franchisees, lessors, licensees, sub-licensees and distribution partners;

(27) the incurrence of Indebtedness attributable to (but not incurred to finance) the exercise of appraisal rights or the settlement of any claims or actions (whether actual, contingent or potential) with respect to the Transactions or any other acquisition (by merger, consolidation or amalgamation or otherwise) in accordance with the terms hereof;

(28) the incurrence of Indebtedness representing deferred compensation to employees of any Parent Company, the Borrower or any Restricted Subsidiary, including Indebtedness consisting of obligations under deferred compensation or any other similar arrangements incurred in connection with the Transactions, any investment or any acquisition (by merger, consolidation or amalgamation or otherwise) permitted under this Agreement;

(29) the incurrence of Indebtedness arising out of any Sale-Leaseback Transaction incurred in the ordinary course of business or consistent with industry practice;

(30) (a) Credit Agreement Refinancing Indebtedness and (b) Permitted Incremental Equivalent Debt;

(31) without duplication of amounts incurred under clause (12)(a) above and solely during the Covenant Modification Period (and, for the avoidance of doubt, any Indebtedness incurred pursuant to this clause (31) during the Covenant Modification Period may remain outstanding after the Covenant Modification Period), the incurrence of Indebtedness or Disqualified Stock of the Borrower and Indebtedness, Disqualified Stock or Preferred Stock of the Borrower or any Restricted Subsidiary in an aggregate principal amount or liquidation preference up to 50.0% of (i) the net cash proceeds received by the Borrower and its Restricted Subsidiaries since the Amendment No. 8 Effective Date from the issue or sale of Equity Interests of the Borrower or any Restricted Subsidiary or contributions to the capital of the Borrower and the Guarantors, consolidation, amalgamation or merger (in each case, other than proceeds of Disqualified Stock or sales of Equity Interests to the Borrower or any Subsidiary or any Equity Interests that are preferred shares that bear a cash-pay dividend) and (ii) Indebtedness of the Borrower and its Subsidiaries that is converted into Equity Interests (other than Disqualified Stock or sales of Equity Interests to the Borrower or any Subsidiary or any Equity Interests that are preferred shares that bear a cash-pay dividend); and

(32) ~~(31)~~ all premiums (if any), interest (including post-petition interest), fees, expenses, charges and additional or contingent interest on obligations described in clauses (1) through (~~30~~31) above.

(c) For purposes of determining compliance with this Section 7.02:

(1) in the event that an item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) at any time, whether at the time of incurrence or upon the application of all or a portion of the proceeds thereof or subsequently, meets the criteria of more than one of the categories of permitted Indebtedness, Disqualified Stock or Preferred Stock described in clauses (1) through (31) above or is entitled to be incurred pursuant to Section 7.02(a), the Borrower, in its sole discretion, may divide and classify and may subsequently re-divide and reclassify, such item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) and will only be required to include the amount and type of such Indebtedness, Disqualified Stock or Preferred Stock (or a portion thereof) in such of the above clauses or under Section 7.02(a) as determined by the Borrower at such time, including any division, classification, redivision and reclassification between the Fixed Incremental Amount and the Ratio Amount; *provided* that all Indebtedness (x) represented by the Senior Notes and related Guarantees on the Closing Date and (y) incurred hereunder on the Closing Date will, at all times, be treated as incurred on the Closing Date under Section 7.02(b)(1) and (2), respectively, and may not be reclassified;

(2) the Borrower is entitled to divide and classify an item of Indebtedness, Disqualified Stock or Preferred Stock in more than one of the types of Indebtedness, Disqualified Stock or Preferred Stock described in Section 7.02(a) and (b), subject to the proviso to the preceding clause (1) of this Section 7.02(c);

(3) the principal amount of Indebtedness outstanding under any clause of this Section 7.02 will be determined after giving effect to the application of proceeds of any such Indebtedness to refinance any such other Indebtedness;

(4) in the event an item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) is incurred or issued pursuant to Section 7.02(b) on the same date that an item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) is incurred or issued under Section 7.02(a), then the Fixed Charge Coverage Ratio, or applicable leverage ratio, will be calculated with respect to such incurrence under Section 7.02(a) without regard to any incurrence under Section 7.02(b); *provided* that unless the Borrower elects otherwise, the incurrence of Indebtedness, Disqualified Stock or Preferred Stock will be deemed incurred or issued first under Section 7.02(a) to the extent permitted with the balance incurred under Section 7.02(b); and

(5) guarantees of, or obligations in respect of letters of credit relating to, Indebtedness that are otherwise included in the determination of a particular amount of Indebtedness will not be included in the determination of such amount of Indebtedness; *provided* that the incurrence of the Indebtedness represented by such guarantee or letter of credit, as the case may be, was incurred in compliance with this Section 7.02.

The accrual of interest or dividends, the accretion of accreted value, the accretion or amortization of original issue discount and the payment of interest or dividends in the form of additional Indebtedness, Disqualified Stock or Preferred Stock and increases in the amount of Indebtedness outstanding solely as a result of fluctuations in the exchange rate of currencies, in each case, will not be deemed to be an incurrence of Indebtedness, Disqualified Stock or Preferred Stock for purposes of this Section 7.02. Any Indebtedness incurred to refinance Indebtedness, Disqualified Stock or Preferred Stock incurred pursuant to clauses (2), (3), (4), (12), (13), (14) and (23) of Section 7.02(b) will be permitted to include additional Indebtedness, Disqualified Stock or Preferred Stock incurred to pay accrued but unpaid interest and dividends and premiums (and with respect to Indebtedness under Designated Revolving Commitments, including an amount equal to any unutilized Designated Revolving Commitments being refinanced to the extent permanently terminated at the time of incurrence of such Refinancing Indebtedness and reasonable tender premiums), defeasance costs and fees and expenses incurred in connection with such refinancing.

For purposes of determining compliance with any Dollar denominated restriction on the incurrence of Indebtedness or issuance of Disqualified Stock or Preferred Stock, the Dollar equivalent principal amount of

Indebtedness or Disqualified Stock or Preferred Stock denominated in a foreign currency will be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness, Disqualified Stock or Preferred Stock was incurred, in the case of term debt, or first committed or first incurred (whichever yields the lower Dollar equivalent), in the case of revolving credit debt; *provided* that if such Indebtedness, Disqualified Stock or Preferred Stock is issued to Refinance other Indebtedness, Disqualified Stock or Preferred Stock denominated in a foreign currency, and such refinancing would cause the applicable Dollar denominated (or Equivalent Percentage, if greater) restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such Dollar denominated restriction will be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness, Disqualified Stock or Preferred Stock does not exceed (i) the principal amount of such Indebtedness, Disqualified Stock or Preferred Stock (as applicable) being refinanced *plus* (ii) the aggregate amount of accrued but unpaid interest, fees, underwriting discounts, defeasance costs, premiums (including tender premiums) and other costs and expenses (including OID, upfront fees or similar fees) incurred in connection with such refinancing.

The principal amount of any Indebtedness, Disqualified Stock or Preferred Stock incurred to refinance other Indebtedness, Disqualified Stock or Preferred Stock, if incurred in a different currency from the Indebtedness, Disqualified Stock or Preferred Stock, as applicable, being refinanced, will be calculated based on the currency exchange rate applicable to the currencies in which such respective Indebtedness or Disqualified Stock or Preferred Stock is denominated that is in effect on the date of such refinancing. The principal amount of any non-interest bearing Indebtedness or other discount security constituting Indebtedness at any date will be the principal amount thereof that would be shown on a balance sheet of the Borrower dated such date prepared in accordance with GAAP.

For purposes of determining compliance with this Section 7.02, if any Indebtedness is refinanced in reliance on a Basket measured by reference to a percentage of Run-Rate Adjusted EBITDA, and such refinancing would cause the percentage of Run-Rate Adjusted EBITDA to be exceeded if calculated based on the Run-Rate Adjusted EBITDA on the date of such refinancing, such percentage of Run-Rate Adjusted EBITDA will not be deemed to be exceeded to the extent the principal amount of such obligations secured by such newly incurred Indebtedness does not exceed the sum of (i) the principal amount of such Indebtedness being refinanced, *plus* (ii) the related costs incurred or payable in connection with such refinancing.

Notwithstanding the foregoing, during the Covenant Modification Period, the Borrower shall not be permitted to incur Indebtedness secured by Liens under clause (39) of the definition of Permitted Liens or Incremental Facilities secured on a *pari passu* basis with the Liens that secure the Closing Date Loans and the 2021 Initial Revolving Facility.

SECTION 7.03 Fundamental Changes. The Borrower shall not, nor shall the Borrower permit any Restricted Subsidiary to, consolidate, amalgamate or merge with or into or wind up into another Person, or liquidate or dissolve or dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to or in favor of any Person (other than as part of the Transactions), except that:

(1) Subject to clause (g) of Section 4.1 of the Security Agreement, Holdings or any Restricted Subsidiary may merge or consolidate with the Borrower (including a merger, the purpose of which is to reorganize the Borrower into a new jurisdiction); *provided* that

(a) the Borrower shall be the continuing or surviving Person,

(b) such merger or consolidation does not result in the Borrower ceasing to be organized under the Laws of the United States, any state thereof or the District of Columbia and

(c) in the case of a merger or consolidation of Holdings with and into the Borrower,

(A) be an entity organized or existing under the laws of the United States, any state thereof or the District of Columbia,

(B) expressly assume all the obligations of Holdings under this Agreement and the other Loan Documents to which Holdings is a party pursuant to a supplement hereto or thereto in form reasonably satisfactory to the Administrative Agent and the Borrower,

(C) (I) expressly assume all the obligations of Holdings under this Agreement and the other Loan Documents to which Holdings is a party pursuant to a supplement hereto or thereto in form reasonably satisfactory to the Administrative Agent and the Borrower and (II) pledge 100% of the Equity Interests of the Borrower to the Administrative Agent as Collateral to secure the Obligations in accordance with the Security Agreement or otherwise in form and substance reasonably satisfactory to the Administrative Agent and the Borrower,

(D) if requested by the Administrative Agent, deliver, or cause the Borrower to deliver, to the Administrative Agent (I) an Officer's Certificate stating that such merger or consolidation or other transaction and such supplement to this Agreement or any Collateral Document (as applicable) comply with this Agreement and (II) an Opinion of Counsel including customary organization, due execution, no conflicts and enforceability opinions to the extent reasonably requested by the Administrative Agent; and

(iv) the Administrative Agent shall have received at least three (3) Business Days prior to the such transaction all documentation and other information in respect of the Successor Holdings required under applicable "know your customer" and anti-money laundering rules and regulations, including the USA PATRIOT Act;

provided further that if the foregoing are satisfied, the Successor Holdings will succeed to, and be substituted for, Holdings under this Agreement;

(6) any Restricted Subsidiary may merge or consolidate with (or dispose of all or substantially all of its assets to) any other Person in order to effect a Permitted Investment or other investment permitted pursuant to Section 7.05; *provided* that solely in the case of a merger or consolidation involving a Loan Party and subject to Section 1.07(8), no Event of Default exists or would result therefrom; ~~provided further that the continuing or surviving Person will be (a) the Borrower or (b) a Loan Party, in each case, which together with each of its Restricted Subsidiaries, will have complied with the applicable requirements of Section 6.11;~~

(7) a merger, dissolution, liquidation, consolidation or disposition, the purpose of which is to effect a disposition~~permitted pursuant to~~not prohibited by Section 7.04 (other than under clause (2)(c) of the definition of "Asset Sale");

(8) subject to clause (g) of Section 4.1 of the Security Agreement, the Borrowerand any Restricted Subsidiary may (a) convert into a corporation, partnership, limited partnership, limited liability company or trust organized or existing under the laws of the jurisdiction of organization of the Borrower or such Restricted Subsidiary or the laws of a jurisdiction in the United States and (b) change its name; and

(9) the Loan Parties and the Restricted Subsidiaries may consummate the Transactions.

Upon consummation of the Merger, Life Time will succeed to, and be substituted for, and may exercise every right and power of, Merger Sub hereunder. Notwithstanding anything in this Agreement to the contrary, the merger of Merger Sub with and into Life Time on the Closing Date as described in the Transaction

To the extent any Collateral is disposed of ~~as expressly permitted~~in a manner that is not prohibited by this Section 7.04 to any Person other than a Loan Party, such Collateral shall automatically be sold free and clear of the Liens created by the Loan Documents, and, if requested by the Administrative Agent, upon the certification by the Borrower that such disposition is permitted by this Agreement, the Administrative Agent and the Collateral Agent shall be authorized to take any actions deemed appropriate in order to effect the foregoing.

In addition, none of the Borrower or any Restricted Subsidiary shall enter into any Sale-Leaseback Transaction unless (1) at the time of the consummation thereof no Event of Default has occurred and is continuing, and (2) such Sale-Leaseback Transaction is conducted as an arm's-length basis and is for fair market value of the applicable property as determined by a Responsible Officer of the Borrower in good faith.

SECTION 7.05 Restricted Payments.

(a) The Borrower shall not, nor shall the Borrower permit any Restricted Subsidiary to, directly or indirectly:

(A) declare or pay any dividend or make any payment or distribution on account of the Borrower's or any Restricted Subsidiary's Equity Interests (in each case, solely in such Person's capacity as holder of such Equity Interests), including any dividend or distribution payable in connection with any merger, amalgamation or consolidation, other than:

(i) dividends, payments or distributions payable solely in Equity Interests (other than Disqualified Stock) of the Borrower or a Parent Company or in options, warrants or other rights to purchase such Equity Interests; or

(ii) dividends, payments or distributions by a Restricted Subsidiary so long as, in the case of any dividend, payment or distribution payable on or in respect of any class or series of securities issued by a Restricted Subsidiary other than a wholly owned Subsidiary, the Borrower or a Restricted Subsidiary receives at least its pro rata share of such dividend, payment or distribution in accordance with its Equity Interests in such class or series of securities or such other amount to which it is entitled pursuant to the terms of such Equity Interest;

(B) purchase, redeem, defease or otherwise acquire or retire for value any Equity Interests of the Borrower or any Parent Company, including in connection with any merger, amalgamation or consolidation, in each case held by Persons other than the Borrower or a Restricted Subsidiary;

(C) make any principal payment on, or redeem, repurchase, defease or otherwise acquire or retire for value, in each case, prior to any scheduled repayment, sinking fund payment or final maturity, any Subordinated Indebtedness, other than:

(i) Indebtedness permitted under clauses (7), (8) and (9) of Section 7.02(b); or

(ii) the payment, redemption, repurchase, defeasance, acquisition or retirement for value of Subordinated Indebtedness purchased in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of such payment, redemption, repurchase, defeasance, acquisition or retirement; or

(D) make any Restricted Investment;

(all such payments and other actions set forth in clauses (A) through (D) above being collectively referred to as "**Restricted Payments**"), unless, at the time of and immediately after giving effect to such Restricted Payment:

(1) in the case of a Restricted Payment other than a Restricted Investment, no Event of Default will have occurred and be continuing or would occur as a consequence thereof and, in the case of a Transaction or (B) payment of an early termination amount thereof in common stock upon any early termination thereof;

(23) any dividend or other Restricted Payment of or related to the Specified Businesses, including distributions or payments to any Parent Company to fund the payment of taxes by such Parent Company and by the direct or indirect owners of such Parent Company (based on the assumption that all such owners are individuals resident in Los Angeles, California) resulting from the dividend or other Restricted Payment of the Specified Businesses to the direct and indirect owners of any Parent Company; and

(24) Restricted Payments in an amount not to exceed 40.0% of the Specified Sale-Leaseback Net Proceeds of any Specified Sale-Leaseback Transactions consummated after the Closing Date; *provided* that (a) the aggregate amount of such Restricted Payments may not exceed $100.0 million and (b) after giving *pro forma* effect thereto and the application of the net proceeds therefrom, the Total Net Leverage Ratio for the Test Period immediately preceding such Restricted Payment would be no greater than 5.10 to 1.00;

provided that at the time of, and after giving effect to, any Restricted Payment permitted under clauses (10), (15) and (17), no Default will have occurred and be continuing or would occur as a consequence thereof. For purposes of clauses (7), (14) and (23) above, taxes will include all interest and penalties with respect thereto and all additions thereto.

(c) For purposes of determining compliance with this Section 7.05, in the event that any Restricted Payment or Investment (or any portion thereof) meets the criteria of more than one of the categories of Restricted Payments described in Section 7.05(a), clauses (1) through (24) of Section 7.05(b) or one or more of the clauses contained in the definition of "Permitted Investments," the Borrower will be entitled to divide or classify (or later divide, classify or reclassify), in whole or in part, in its sole discretion, such Restricted Payment or Investment (or any portion thereof) among Section 7.05(a), such clauses (1) through (24) of Section 7.05(b) or one or more clauses contained in the definition of "Permitted Investments," in any manner that otherwise complies with this Section 7.05.

The amount of all Restricted Payments (other than cash) will be the fair market value on the date the Restricted Payment is made, or at the Borrower's election, the date a commitment is made to make such Restricted Payment, of the assets or securities proposed to be transferred or issued by the Borrower or any Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment.

For the avoidance of doubt, this Section 7.05 will not restrict the making of any AHYDO Payment with respect to, and required by the terms of, any Indebtedness of the Borrower or any Restricted Subsidiary permitted to be incurred under this Agreement.

Notwithstanding the foregoing, during the Covenant Modification Period (x) no Restricted Payments of the form described in clause (a)(A) or (B) shall be permitted by the Borrower other than with respect to clause (b)(7), (b)(14) and (b)(18) of this Section 7.05, (y) no Investments in, or designations of, Unrestricted Subsidiaries shall be permitted other than any Investment to fund the completion of the club in Peoria, Arizona under construction as of the Amendment No. 8 Effective Date and (z) the aggregate amount of Restricted Payments that shall be permitted under clauses (a)(D)(3)(g) of this Section 7.05, clause (b)(10) of this Section 7.05, clause (8) of the definition of "Permitted Investments" and clause (13) of the definition of "Permitted Investments" shall be $225,000,000.

SECTION 7.06 Change in Nature of Business. The Borrower shall not, nor shall the Borrower permit any Restricted Subsidiary to, engage in any material line of business substantially different from those lines of business conducted by the Borrower and the Restricted Subsidiaries on the Closing Date or any business(es) or any other activities that are reasonably similar, ancillary, incidental, complimentary or related to, or a reasonable

(3) sell, lease or transfer any of its properties or assets to the Borrower or to any Restricted Subsidiary that is a Guarantor; or

(4) with respect to the Borrower or any Subsidiary Guarantor, (a) Guaranty the Obligations or (b) create, incur or cause to exist or become effective Liens on property of such Person for the benefit of the Lenders with respect to the Obligations under the Loan Documents to the extent such Lien is required to be given to the Secured Parties pursuant to the Loan Documents;

provided that any dividend or liquidation priority between or among classes or series of Capital Stock, and the subordination of any Obligation (including the application of any remedy bars thereto) to any other Obligation will not be deemed to constitute such an encumbrance or restriction.

(b) Section 7.08(a) will not apply to any encumbrances or restrictions existing under or by reason of:

(a) encumbrances or restrictions in effect on the Closing Date, including pursuant to the Loan Documents and any Hedge Agreements, Hedging Obligations and the related documentation;

(b) the Senior Notes Indenture, the Senior Notes, the Secured Notes Indenture, the Secured Notes and the guarantees thereof;

(c) Purchase Money Obligations and Capitalized Lease Obligations that impose restrictions of the nature discussed in clause (3) above on the property so acquired;

(d) applicable Law or any applicable rule, regulation or order;

(e) any agreement or other instrument of a Person, or relating to Indebtedness or Equity Interests of a Person, acquired by or merged, amalgamated or consolidated with and into the Borrower or any Restricted Subsidiary or an Unrestricted Subsidiary that is designated as a Restricted Subsidiary, or any other transaction entered into in connection with any such acquisition, merger, consolidation or amalgamation in existence at the time of such acquisition or at the time it merges, amalgamates or consolidates with or into the Borrower or any Restricted Subsidiary or an Unrestricted Subsidiary that is designated as a Restricted Subsidiary or assumed in connection with the acquisition of assets from such Person (but, in any such case, not created in contemplation thereof), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person so acquired and its Subsidiaries, or the property or assets of the Person so acquired or designated and its Subsidiaries or the property or assets so acquired or designated;

(f) contracts or agreements for the sale or disposition of assets, including any restrictions with respect to a Subsidiary of the Borrower pursuant to an agreement that has been entered into for the sale or disposition of all or substantially all of the Capital Stock or assets of such Subsidiary;

(g) [reserved];

(h) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business or consistent with industry practice or arising in connection with any Liens permitted by Section 7.01;

(i) Indebtedness, Disqualified Stock or Preferred Stock of Restricted Subsidiaries that are not Guarantors permitted to be incurred subsequent to the Closing Date pursuant to Section 7.02;

(j) provisions in joint venture agreements and other similar agreements (including equity holder agreements) relating to such joint venture or its members or entered into in the ordinary course of business or consistent with industry practice;

supplements, refundings, replacements or refinancings are, in the good faith judgment of the Borrower, no more restrictive in any material respect with respect to such encumbrance and other restrictions, taken as a whole, than those prior to such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing;

(v) existing under, by reason of or with respect to Refinancing Indebtedness;*provided* that the encumbrances and restrictions contained in the agreements governing that Refinancing Indebtedness are, in the good faith judgment of the Borrower, not materially more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being refinanced; and

(w) applicable law or any applicable rule, regulation or order in any jurisdiction where Indebtedness, Disqualified Stock or Preferred Stock of Foreign Subsidiaries permitted to be incurred pursuant to Section 7.02 is incurred.

SECTION 7.09 Accounting Changes. The Borrower shall not, nor shall the Borrower permit any Restricted Subsidiary to, make any change in fiscal year; *provided*, *however*, that the Borrower may, upon written notice to the Administrative Agent, change its fiscal year to any other fiscal year reasonably acceptable to the Administrative Agent, in which case, the Borrower and the Administrative Agent will, and are hereby authorized by the Lenders to, make any adjustments to this Agreement that are necessary to reflect such change in fiscal year.

SECTION 7.10 Modification of Terms of Subordinated Indebtedness. The Borrower shall not, nor shall the Borrower permit any Restricted Subsidiary to, amend, modify or change in any manner materially adverse to the interests of the Lenders, as determined in good faith by the Borrower, any term or condition of any Subordinated Indebtedness having an aggregate outstanding principal amount greater than the Threshold Amount (other than as a result of any Refinancing Indebtedness in respect thereof) without the consent of the Administrative Agent (which consent shall not be unreasonably withheld or delayed); *provided*, *however*, that no amendment, modification or change of any term or condition of any Subordinated Indebtedness permitted by any subordination provisions set forth in the applicable Subordinated Indebtedness or any other stand-alone subordination agreement in respect thereof and, in each case connected to the Administrative Agent shall be deemed to be materially adverse to the interests of the Lenders.

SECTION 7.11 Holdings. Holdings will not conduct, transact or otherwise engage in any business or operations other than the following (and activities incidental thereto):

(1) the ownership or acquisition of the Capital Stock (other than Disqualified Stock) of any other Successor Holdings or the Borrower,

(2) the maintenance of its legal existence, including the ability to incur fees, costs and expenses relating to such maintenance,

(3) to the extent applicable, participating in tax, accounting and other administrative matters as a member of the combined group of Holdings and the Borrower,

(4) the performance of its obligations under and in connection with, and payments with respect to, the Loan Documents, the Senior Notes, the Senior Notes Indenture, the Secured Notes, the Secured Notes Indenture and related documentation and any documents relating to other Indebtedness permitted under Section 7.02 (including, for the avoidance of doubt, the incurrence of Qualified Holding Company Debt),

(5) any public offering of its common stock or any other issuance or registration of its Capital Stock for sale or resale not prohibited by this Article VII, including the costs, fees and expenses related thereto,

(9) activities incidental to the businesses or activities described in clauses (1) through (8) of this Section 7.11.

SECTION 7.12 Financial Covenant. The Borrower and each of the Restricted Subsidiaries covenant and agree that:

(1) (a) Commencing with the Test Period ending September 30, 2015(other than any Test Period ending during the Covenant Modification Period), the Borrower will not permit the First Lien Net Leverage Ratio as of the last day of any Test Period to exceed 6.50 to 1.00 if the aggregate principal amount of Revolving Loans (including Letters of Credit, but excluding all cash-collateralized Letters of Credit and undrawn amounts under any other Letters of Credit, up to $20.0 million) on the fifth Business Day following the last day of such Test Periodexceeds (or exceeded) 30% of the then outstanding Revolving Commitments in effect on such date.; *provided* that, solely for the purposes of assessing compliance with this Section 7.12(1)(a), for the first three Test Periods following the end of the Covenant Modification Period, Run-Rate Adjusted EBITDA shall be calculated in the following manner: (x) for the first Test Period following the end of the Covenant Modification Period, Adjusted EBITDA for such Test Period shall equal Run-Rate Adjusted EBITDA for the immediately preceding fiscal quarter times four, (y) for the second Test Period following the end of the Covenant Modification Period, Adjusted EBITDA for such Test Period shall equal Run-Rate Adjusted EBITDA for the immediately preceding two fiscal quarters times two and (z) for the third Test Period following the end of the Covenant Modification Period, Adjusted EBITDA for such Test Period shall equal Run-Rate Adjusted EBITDA for the immediately preceding three fiscal quarters times four thirds.

(b) During the Covenant Modification Period, the Borrower shall not permit Liquidity to be less than $100,000,000 on the last Business Day of any calendar month. As soon as available, but in any event (x) with respect to the following clauses (i) and (ii), within 45 days and (y) with respect to the following clause (iii) within 5 Business Days, in each case, following the end of each calendar month ending during the Covenant Modification Period, the Borrower shall provide to the Revolving Lenders a monthly financial report setting forth key performance indicators that provides detail on (i) the monthly financial results for the Borrower and its Restricted Subsidiaries for the preceding calendar month, (ii) a projection of expected cash flows for the 13-week period following the end of such calendar month and (iii) Liquidity as of the end of such calendar month;

(2) The provisions of this Section 7.12 are for the benefit of the Revolving Lenders only and only the Required Revolving Lenders (without the consent of any other Lenders) may amend, waive or otherwise modify this Section 7.12 or the defined terms used in this Section 7.12 (solely in respect of the use of such defined terms in this Section 7.12) or waive any Default resulting from a breach of this Section 7.12.

ARTICLE VIII

Events of Default and Remedies

SECTION 8.01 Events of Default. Each of the events referred to in clauses (1) through (11) of this Section 8.01 shall constitute an "**Event of Default**":

(1) Non-Payment. The Borrower fails to pay (a) when and as required to be paid herein, any amount of principal of any Loan or (b) within five (5) Business Days after the same becomes due, any interest on any Loan or any other amount payable hereunder or with respect to any other Loan Document; or

(2) Specific Covenants. The Borrower, any other Loan Party or, in the case of Section 7.11, Holdings, fails to perform or observe any term, covenant or agreement contained in any of Section 6.03(1) or 6.05(1) (solely with respect to the Borrower, other than in a transaction permitted under Section 7.03 or 7.04) or Article VII (other than clauses (i) and (ii) of the last sentence of Section 7.12(1)(b)); *provided* that the Borrower's failure to comply with ~~the Financial Covenant~~any financial covenant set forth in Section 7.12(1) (a "**Financial Covenant Event of Default**") shall not constitute an Event of Default with respect to any Term Loans or Term Commitments unless and until the date on which

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender and Issuing Bank to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders and relevant Issuing Banks, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Agents and their respective agents and counsel, and any other amounts due the Administrative Agent under Sections 2.09 and 10.04.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender or Issuing Bank any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or Issuing Bank or to authorize the Administrative Agent to vote in respect of the claim of any Lender or Issuing Bank in any such proceeding.

SECTION 9.15 Appointment of Supplemental Administrative Agents.

(1) It is the purpose of this Agreement and the other Loan Documents that there shall be no violation of any Law of any jurisdiction denying or restricting the right of banking corporations or associations to transact business as agent or trustee in such jurisdiction. It is recognized that in case of litigation under this Agreement or any of the other Loan Documents, and in particular in case of the enforcement of any of the Loan Documents, or in case the Administrative Agent deems that by reason of any present or future Law of any jurisdiction it may not exercise any of the rights, powers or remedies granted herein or in any of the other Loan Documents or take any other action which may be desirable or necessary in connection therewith, the Administrative Agent is hereby authorized to appoint an additional individual or institution selected by the Administrative Agent in its sole discretion as a separate trustee, co-trustee, administrative agent, collateral agent, administrative sub-agent or administrative co-agent (any such additional individual or institution being referred to herein individually as a "**Supplemental Administrative Agent**" and collectively as "**Supplemental Administrative Agents**").

(2) In the event that the Administrative Agent appoints a Supplemental Administrative Agent with respect to any Collateral, (i) each and every right, power, privilege or duty expressed or intended by this Agreement or any of the other Loan Documents to be exercised by or vested in or conveyed to the Administrative Agent with respect to such Collateral shall be exercisable by and vest in such Supplemental Administrative Agent to the extent, and only to the extent, necessary to enable such Supplemental Administrative Agent to exercise such rights, powers and privileges with respect to such Collateral and to perform such duties with respect to such Collateral, and every covenant and obligation contained in the Loan Documents and necessary to the exercise or performance thereof by such Supplemental Administrative Agent shall run to and be enforceable by either the Administrative Agent or such Supplemental Administrative Agent, and (ii) the provisions of this Article IX and of Sections 10.04 and 10.05 that refer to the Administrative Agent shall inure to the benefit of such Supplemental Administrative Agent and all references therein to the Administrative Agent shall be deemed to be references to the Administrative Agent or such Supplemental Administrative Agent, as the context may require.

(3) Should any instrument in writing from any Loan Party be reasonably required by any Supplemental Administrative Agent so appointed by the Administrative Agent for more fully and certainly vesting in and confirming to him or it such rights, powers, privileges and duties, the Borrower shall, or shall cause such Loan Party to, execute, acknowledge and deliver any and all such instruments reasonably acceptable to it promptly upon request by the Administrative Agent. In case any Supplemental Administrative Agent, or a successor thereto, shall die, become incapable of acting, resign or be removed, all the rights, powers, privileges and duties of such Supplemental Administrative Agent, to the extent permitted by Law, shall vest in and be exercised by the Administrative Agent until the appointment of a new Supplemental Administrative Agent.

SECTION 9.16 Intercreditor Agreements. The Administrative Agent and Collateral Agent are hereby authorized to enter into ~~any~~the Amendment No. 8 Intercreditor Agreement and any other Intercreditor Agreement to the extent contemplated by the terms hereof, and the parties hereto acknowledge that such Intercreditor Agreement is binding upon them. Each Lender (a) hereby agrees that it will be bound by and will take no actions contrary to the provisions of the Intercreditor Agreements, (b) hereby authorizes and instructs the Administrative Agent and Collateral Agent to enter into the Intercreditor Agreements and to subject the Liens on the Collateral securing the Obligations to the provisions thereof and (c) without any further consent of the Lenders,

hereby authorizes and instructs the Administrative Agent and the Collateral Agent to negotiate, execute and deliver on behalf of the Secured Parties ~~any~~the Amendment No. 8 Intercreditor Agreement, any other intercreditor agreement or any amendment (or amendment and restatement) to the Collateral Documents or an Intercreditor Agreement contemplated hereunder. In addition, each Lender hereby authorizes the Administrative Agent and the Collateral Agent to enter into (i) any amendments to ~~any~~the Amendment No. 8 Intercreditor Agreement, any other Intercreditor Agreements, and (ii) any other intercreditor arrangements, in the case of clauses (i), and (ii) to the extent required to give effect to the establishment of intercreditor rights and privileges as contemplated and required or permitted by this Agreement. Each Lender acknowledges and agrees that any of the Administrative Agent and Collateral Agent (or one or more of their respective Affiliates) may (but are not obligated to) act as the "Debt Representative" or like term for the holders of Credit Agreement Refinancing Indebtedness under the security agreements with respect thereto or any Intercreditor Agreement then in effect. Each Lender waives any conflict of interest, now contemplated or arising hereafter, in connection therewith and agrees not to assert against any Agent or any of its affiliates any claims, causes of action, damages or liabilities of whatever kind or nature relating thereto.

SECTION 9.17 Secured Cash Management Agreements and Secured Hedge Agreements. Except as otherwise expressly set forth herein or in any Guaranty or any Collateral Document, no Cash Management Bank or Hedge Bank that obtains the benefits of Section 8.03, any Guaranty or any Collateral by virtue of the provisions hereof or of any Guaranty or any Collateral Document shall have any right to notice of any action or to consent to, direct or object to any action hereunder or under any other Loan Document or otherwise in respect of the Collateral (including the release or impairment of any Collateral) other than in its capacity as a Lender and, in such case, only to the extent expressly provided in the Loan Documents. Notwithstanding any other provision of this Article IX to the contrary, the Administrative Agent shall not be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, Obligations arising under Secured Cash Management Agreements and Secured Hedge Agreements unless the Administrative Agent has received written notice of such Obligations, together with such supporting documentation as the Administrative Agent may request, from the applicable Cash Management Bank or Hedge Bank, as the case may be.

SECTION 9.18 Withholding Tax. To the extent required by any applicable Laws, the Administrative Agent may withhold from any payment to any Lender an amount equivalent to any applicable withholding tax. Without limiting or expanding the provisions of Section 3.01, each Lender shall indemnify and hold harmless the Administrative Agent against, and shall make payable in respect thereof within ten 10 days after demand therefor, any and all Taxes and any and all related losses, claims, liabilities and expenses (including fees, charges and disbursements of any counsel for the Administrative Agent) incurred by or asserted against the Administrative Agent by the IRS or any other Governmental Authority as a result of the failure of the Administrative Agent to properly withhold Tax from amounts paid to or for the account of such Lender for any reason (including because the appropriate form was not delivered or not properly executed, or because such Lender failed to notify the Administrative Agent of a change in circumstance that rendered the exemption from, or reduction of withholding tax ineffective). A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under this Agreement or any other Loan Document against any amount due the Administrative Agent under this Section 9.18. The agreements in this Section 9.18 shall survive the resignation or replacement of the Administrative Agent, any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all other Obligations.

ARTICLE X

Miscellaneous

SECTION 10.01 Amendments, etc.

(1) Except as otherwise set forth in this Agreement, no amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by the Borrower or any other Loan Party therefrom, shall be effective unless in writing signed by the Required Lenders (other than with respect to any

(f) other than in a transaction permitted under Section 7.03 or Section 7.04, release all or substantially all of the aggregate value of the Guaranty, without the written consent of each Lender;

(g) amend, waive or otherwise modify any term or provision (including the waiver of any conditions set forth in Section 4.02 as to any Credit Extension under one or more Revolving Facilities) which directly affects Lenders under one or more Revolving Facilities and does not directly affect Lenders under any other Facilities, in each case, without the written consent of the Required Revolving Lenders under such applicable Revolving Facility or Facilities with respect to Revolving Commitments (and in the case of multiple Facilities which are affected, such Required Revolving Lenders shall consent together as one Facility); *provided*, *however*, that the waivers described in this clause (g) shall not require the consent of any Lenders other than the Required Revolving Lenders under the applicable Revolving Facility or Facilities (it being understood that any amendment to the conditions of effectiveness of Incremental Commitments set forth in Section 2.14 shall be subject to clause (i) below);

(h) (i) amend, waive or otherwise modify ~~the Financial Covenant~~Section 7.12 or any definition related thereto (solely in respect of the use of such defined terms in ~~the Financial Covenant) or~~Section 7.12), (ii) waive any Default or Event of Default resulting from a failure to perform or observe ~~the Financial Covenant~~Section 7.12 or (iii) amend the definition of "Covenant Modification Period" and any limitation in this Agreement made by reference to the Covenant Modification Period, in each case, without the written consent of the Required Revolving Lenders under the applicable Revolving Facility or Facilities with respect to Revolving Commitments (such Required Revolving Lenders shall consent together as one Facility); *provided*, *however*, that the amendments, waivers and other modifications described in this clause (h) shall not require the consent of any Lenders other than the Required Revolving Lenders under the applicable Revolving Facility or Facilities;

(i) amend, waive or otherwise modify any term or provision (including the availability and conditions to funding under Section 2.14 with respect to Incremental Term Loans and Incremental Revolving Commitments and the rate of interest applicable thereto) which directly affects Lenders of one or more Incremental Term Loans or Incremental Revolving Commitments and does not directly affect Lenders under any other Facility, in each case, without the written consent of the Required Revolving Lenders under such applicable Incremental Term Loans or Incremental Revolving Commitments (and in the case of multiple Facilities which are affected, such Required Revolving Lenders shall consent together as one Facility); *provided*, *however*, that, to the extent permitted under Section 2.14, the waivers described in this clause (i) shall only require the consent of the Required Revolving Lenders under such applicable Incremental Term Loans or Incremental Revolving Commitments;

(j) amend, waive or otherwise modify any term or provision which directly affects (x) 2021 Initial Revolving Lenders and does not directly affect 2017 Initial Revolving Lenders without the written consent of the Required Facility Lenders under the 2021 Initial Revolving Facility or (y) 2017 Initial Revolving Lenders and does not directly affect ~~Original~~2021 Initial Revolving Lenders without the written consent of the Required Facility Lenders under the 2017 Initial Revolving Facility ~~or (y) Original Initial Revolving Lenders and does not directly affect 2017 Initial Revolving Lenders without the written consent of the Required Facility Lenders under the Original Initial Revolving Facility~~;

provided that:

(I) no amendment, waiver or consent shall, unless in writing and signed by each Issuing Bank in addition to the Lenders required above, affect the rights or duties of such Issuing Bank under this Agreement or any Issuing Bank Document relating to any Letter of Credit issued or to be issued by it; *provided*, *however*, that this Agreement may be amended to adjust the mechanics related to the issuance of Letters of Credit, including mechanical changes relating to the existence of multiple Issuing Banks, with only the written consent of the Administrative Agent, the applicable Issuing Bank and the Borrower so long as the obligations of the Revolving Lenders, if any, who have not executed such amendment, and if applicable the other Issuing Banks, if any, who have not executed such amendment, are not adversely affected thereby;

(II) no amendment, waiver or consent shall, unless in writing and signed by the Swing Line Lender in addition to the Lenders required above, affect the rights or duties of the Swing Line Lender under this Agreement; provided,

however, that this Agreement may be amended to adjust the borrowing mechanics related to Swing Line Loans with only the written consent of the Administrative Agent, the Swing Line Lender and the Borrower so long as the obligations of the Revolving Lenders, if any, who have not executed such amendment, are not adversely affected thereby;

(III) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders required above, affect the rights or duties of, or any fees or other amounts payable to, the Administrative Agent under this Agreement or any other Loan Document;

(IV) Section 10.07(g) may not be amended, waived or otherwise modified without the consent of each Granting Lender all or any part of whose Loans are being funded by an SPC at the time of such amendment, waiver or other modification;

(V) the consent of the Required Revolving Lenders or Required Facility Lenders, as applicable, shall be required with respect to any amendment that by its terms adversely affects the rights of Lenders under any Facility in respect of payments hereunder in a manner different than such amendment affects other Facilities; and

(VI) the consent of the Required Revolving Lenders (but without the consent of other Lenders, including the Required Lenders or Required Facility Lenders) shall be required to amend, waive or otherwise modify any provision of clause (b) of the definition of "Applicable Rate" that provides for an agreement, consent or waiver by the Required Revolving Lenders;

provided further that notwithstanding the foregoing:

(A) no Defaulting Lender shall have any right to approve or disapprove of any amendment, waiver or consent hereunder (and any amendment, waiver or consent which by its terms requires the consent of all Lenders, the Required Lenders, the Required Facility Lenders, the Required Revolving Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than Defaulting Lenders), except that the Revolving Commitment of any Defaulting Lender may not be increased or extended without the consent of such Defaulting Lender (it being understood that any Commitments or Loans held or deemed held by any Defaulting Lender shall be excluded for a vote of the Lenders hereunder requiring any consent of the Lenders);

(B) no Lender consent is required to effect any amendment or supplement to ~~any~~the Amendment No. 8 Intercreditor Agreement or any other Intercreditor Agreement (i) that is for the purpose of adding the holders of Permitted Incremental Equivalent Debt, Credit Agreement Refinancing Indebtedness, Pari Passu Lien Debt, Junior Lien Debt or any other Permitted Indebtedness that is Secured Indebtedness (or a Debt Representative with respect thereto) as parties thereto, as expressly contemplated by the terms of such Intercreditor Agreement, as applicable (it being understood that any such amendment, modification or supplement may make such other changes to the Amendment No. 8 Intercreditor Agreement or any other applicable Intercreditor Agreement as, in the good faith determination of the Administrative Agent, are required to effectuate the foregoing and provided that such other changes are not adverse, in any material respect, to the interests of the Lenders) or (ii) that is expressly contemplated by any Intercreditor Agreement; *provided further* that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent or the Collateral Agent hereunder or under any other Loan Document without the prior written consent of the Administrative Agent or the Collateral Agent, as applicable;

(C) this Agreement may be amended (or amended and restated) with the written consent of the Required Lenders, the Administrative Agent and the Borrower (i) to add one or more additional credit facilities to this Agreement and to permit the extensions of credit from time to time outstanding thereunder and the accrued interest and fees in respect thereof to share ratably in the benefits of this Agreement and the other Loan Documents with the Term Loans, the Revolving Loans, the Swing Line Loans and L/C Obligations and the accrued interest and fees in respect thereof and (ii) to include appropriately the Lenders holding such credit facilities in any determination of the Required Lenders;

(D) any waiver, amendment or modification of this Agreement that by its terms affects the rights or duties under this Agreement of Lenders holding Loans or Commitments of a particular Class (but not the Lenders holding Loans

Administrative Agents and the Arrangers, on the other hand, (B) each of the Borrower and Holdings has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) each of the Borrower and Holdings is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (ii) (A) each Agent, Arranger and Lender is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for the Borrower, Holdings or any of their respective Affiliates, or any other Person and (B) none of the Agents, the Arrangers nor any Lender has any obligation to the Borrower, Holdings or any of their respective Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii) the Agents, the Arrangers, the Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower, Holdings and their respective Affiliates, and none of the Agents, the Arrangers nor any Lender has any obligation to disclose any of such interests to the Borrower, Holdings or any of their respective Affiliates. To the fullest extent permitted by law, each of the Borrower and Holdings hereby waives and releases any claims that it may have against the Agents, the Arrangers or any Lender with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

SECTION 10.24 Release of Collateral and Guarantee Obligations; Subordination of Liens.

(a) The Lenders and the Issuing Banks hereby irrevocably agree that the Liens granted to the Collateral Agent by the Loan Parties on any Collateral shall be automatically released (i) in full, as set forth in clause (b) below, (ii) upon the sale or other transfer of such Collateral (including as part of or in connection with any other sale or other transfer permitted hereunder) to any Person other than another Loan Party, to the extent such sale, transfer or other disposition is made in compliance with the terms of this Agreement (and the Collateral Agent may rely conclusively on a certificate to that effect provided to it by any Loan Party upon its reasonable request without further inquiry), (iii) to the extent such Collateral is comprised of property leased to a Loan Party by a Person that is not a Loan Party, upon termination or expiration of such lease, (iv) if the release of such Lien is approved, authorized or ratified in writing by the Required Lenders (or such other percentage of the Lenders whose consent may be required in accordance with Section 10.01), (v) to the extent the property constituting such Collateral is owned by any Guarantor, upon the release of such Guarantor from its obligations under the Guaranty (in accordance with the second succeeding sentence), (vi) as required by the Collateral Agent to effect any sale, transfer or other disposition of Collateral in connection with any exercise of remedies of the Collateral Agent pursuant to the Collateral Documents and (vii) to the extent such Collateral otherwise becomes Excluded Assets. Any such release shall not in any manner discharge, affect, or impair the Obligations or any Liens (other than those being released) upon (or obligations (other than those being released) of the Loan Parties in respect of) all interests retained by the Loan Parties, including the proceeds of any sale, all of which shall continue to constitute part of the Collateral except to the extent otherwise released in accordance with the provisions of the Loan Documents. Additionally, the Lenders and the Issuing Banks hereby irrevocably agree that the Guarantors shall be released from the Guaranties upon consummation of any transaction permitted hereunder resulting in such Subsidiary ceasing to constitute a Restricted Subsidiary, or otherwise becoming an Excluded Subsidiary (other than, during the Covenant Modification Period, solely as a result of such Subsidiary ceasing to be a wholly owned Subsidiary). The Lenders and the Issuing Banks hereby authorize the Administrative Agent and the Collateral Agent, as applicable, to execute and deliver any instruments, documents, and agreements necessary or desirable to evidence and confirm the release of any Guarantor or Collateral pursuant to the foregoing provisions of this paragraph, all without the further consent or joinder of any Lender or Issuing Bank. Any representation, warranty or covenant contained in any Loan Document relating to any such released Collateral or Guarantor shall no longer be deemed to be repeated.

(b) Notwithstanding anything to the contrary contained herein or any other Loan Document, when all Obligations (other than (i) Hedging Obligations in respect of any Secured Hedge Agreements, (ii) Cash Management Obligations in respect of any Secured Cash Management Agreements, (iii) any contingent obligations not then due and (iv) the Outstanding Amount of L/C Obligations related to any Letter of Credit that has been Cash Collateralized, backstopped by a letter of credit reasonably satisfactory to the applicable Issuing Bank or deemed reissued under another agreement reasonably acceptable to the applicable Issuing Bank) have been paid in full and all Commitments have terminated, upon request of the Borrower, the Administrative Agent or Collateral Agent, as applicable, shall (without notice to, or vote or consent of, any Secured Party) take such actions as shall be required to release its security interest in all Collateral, and to release all obligations under any Loan Document, whether or return the amount of any excess to the Borrower (or to any other Person who may be entitled thereto under applicable Law).

SECTION 10.27 Acknowledgment Regarding Any Supported QFCs.

(a) To the extent that the Loan Documents provide support, through a guarantee or otherwise (including the Guaranty), for any Hedge Agreement or any other agreement or instrument that is a QFC (such support, "**QFC Credit Support**", and each such QFC, a "**Supported QFC**"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "**U.S. Special Resolution Regimes**") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States).

(b) In the event a Covered Entity that is party to a Supported QFC (each, a "**Covered Party**") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

SECTION 10.28 ~~SECTION 10.27~~ Recognition of EU Bail-In.

(a) Notwithstanding anything to the contrary in this Agreement, any Loan Document thereunder or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any ~~EEA~~Affected Financial Institution arising in connection with any ~~New 2017~~2021 Refinancing Term Loans (or any Loan Document thereunder) contemplated by this Agreement, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of ~~an EEA~~the Applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(i) the application of any Write-Down and Conversion Powers by ~~an EEA~~the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an ~~EEA~~Affected Financial Institution; and

(ii) the effects of any Bail-In Action on any such liability, including, if applicable:

(A) a reduction in full or in part or cancellation of any such liability;

(B) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such~~EEA~~Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(C) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of ~~any EEA~~the applicable Resolution Authority.

(b) As used in this Agreement, the following terms have the meanings specified below:

(i) "Affected Financial Institution" means (a) any EEA Financial Institution or (b) any UK Financial Institution.

(ii) ~~(i)~~ "Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an ~~EEA~~Affected Financial Institution.

(iii) ~~(ii)~~ "Bail-In Legislation" means, (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation, rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule~~.~~, and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

(iv) ~~(iii)~~ "EEA Financial Institution" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent~~;~~.

(v) ~~(iv)~~ "EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

(vi) ~~(v)~~ "EEA Resolution Authority" means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

(vii) ~~(vi)~~ "EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

(viii) "Resolution Authority" means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

(ix) "UK Financial Institution" means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended form time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

(x) "UK Resolution Authority" means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

(xi) ~~(vii)~~ "Write-Down and Conversion Powers" means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and

conversion powers are described in the EU Bail-In Legislation Schedule., and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

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NOMURA ~~SECURITIES INTERNATIONAL, INC.~~CORPORATE FUNDING AMERICAS, LLC, as Revolving Lender

By: _____
Name:
Title:

MORTGAGED PROPERTIES

Site	Address
Algonquin	451 Rolls Road, Algonquin, IL 60102
Bloomington South	1001 West 98th Street, Bloomington, MN 55431
Boca Raton	1499 Yamato Road, Boca Raton, FL 33431
Castle Creek	8705 Castle Creek Parkway East Dr., Indianapolis, IN 46250
Champions	7717 Willow Chase Blvd, Houston, TX 77070
Cinco Ranch	23211 Cinco Ranch Blvd., Katy, TX 77494
City Centre Houston	815 Town & Country Lane, Houston, TX 77024
Commerce Township	2901 Commerce Crossing, Commerce Township, MI 48390
Corporate Office Building 1	2902 Corporate Place, Chanhassen, MN 55317
Eagan	1565 Thomas Center Drive, Eagan, MN 55122
Eden Prairie	755 Prairie Center Drive, Eden Prairie, MN 55344
Flower Mound	3100 Churchill Drive, Flower Mound, TX 75022
Fridley	1200 East Moore Lake Drive, Fridley, MN 55432
Garland	5602 Naaman Forest Blvd., Garland, TX 75044
Green Valley	121 Carnegie Street, Henderson, NV 89074
Highland Park Office Building	2145 -2177 Ford Parkway, St. Paul, MN 55116
Kingwood	20515 West Lake Houston Pkwy, Humble, TX 77346 Life
Time Athletic Centennial - Tennis Addition	5100 E Dry Creek Road, Centennial, CO 80122
Life Time Athletic Plano - Tennis Addition	7090 Preston Road, Plano, TX 75024
Maple Grove	12601 82nd Ave. N., Maple Grove, MN 55369
Minnetonka	3310 County Road 101 South, Minnetonka, MN 55391
Novi	40000 High Pointe Boulevard, Novi, MI 48375
Old Orchard	5300 Old Orchard Road, Skokie, IL 60077
Overland Park	6800 West 138th Street, Overland Park, KS 66223
Plano	7100 Preston Road, Plano, TX 75024
Shelby Township	14843 Lakeside Blvd. N., Shelby Township, MI 48315
Sugar Land	1331 Highway 6, Sugar Land, TX 77478
Tempe	1616 West Ruby Drive, Tempe, AZ 85284
Troy	4700 Investment Drive, Troy, MI 48098
White Bear Lake	4800 White Bear Parkway, White Bear Lake, MN 55110

Site	Address	County
Algonquin	451 Rolls Drive, Algonquin, IL 60102	McHenry
Bloomington South	1001 West 98th Street, Bloomington, MN 55431	Hennepin
Boca Raton	1499 Yamato Road, Boca Raton, FL 33431	Palm Beach
Castle Creek	8705 Castle Creek Parkway East Drive, Indianapolis, IN 46250	Marion
Champions	7717 Willow Chase Blvd, Houston, TX 77070	Harris
Cherry Creek	500 South Cherry Street, Denver, CO 80246	Arapahoe
Cinco Ranch	23211 Cinco Ranch Blvd., Katy, TX 77494	Fort Bend
City Centre Houston	815 Town & Country Lane, Houston, TX 77024	Harris
Commerce Township	2901 Commerce Crossing Blvd, Commerce Township, MI 48390	Oakland
Corporate Office Building 1	2902 Corporate Place, Chanhassen, MN 55317	Carver
Eagan	1565 Thomas Center Drive, Eagan, MN 55122	Dakota
Eden Prairie	755 Prairie Center Drive, Eden Prairie, MN 55344	Hennepin
Flower Mound	3100 Churchill Drive, Flower Mound, TX 75022	Denton
Fridley	1200 East Moore Lake Drive, Fridley, MN 55432	Anoka
Garland	5602 Naaman Forest Blvd., Garland, TX 75044	Dallas
Green Valley	121 Carnegie Street, Henderson, NV 89074	Clark
Highland Park Office Building	2145 -2177 Ford Parkway, St. Paul, MN 55116	Ramsey
King of Prussia	750 E Swedesford Road, Wayne, PA 19087	Chester
Kingwood	20515 West Lake Houston Pkwy, Humble, TX 77346	Harris
Life Time Athletic Centennial - Tennis Addition	5100 E Dry Creek Road, Centennial, CO 80122	Arapahoe
Life Time Athletic Plano - Tennis Addition	7090 Preston Road, Plano, TX 75024	Collin
Maple Grove	12601 82nd Ave. No., Maple Grove, MN 55369	Hennepin
Minnetonka	3310 County Road 101 South, Minnetonka, MN 55391	Hennepin
Novi	40000 High Pointe Boulevard, Novi, MI 48375	Oakland
Old Orchard	5300 Old Orchard Road, Skokie, IL 60077	Cook
Overland Park	6800 West 138th Street, Overland Park, KS 66223	Johnson
Plano	7100 Preston Road, Plano, TX 75024	Collin
Shelby Township	14843 Lakeside Blvd., Shelby Township, MI 48315	Macomb
Sugar Land	1331 Highway 6, Sugar Land, TX 77478	Fort Bend
Tempe	1616 West Ruby Drive, Tempe, AZ 85284	Maricopa
Troy	4700 Investment Drive, Troy, MI 48098	Oakland
White Bear Lake	4800 White Bear Parkway, White Bear Lake, MN 55110	Ramsey
Rancho San Clemente	111 Avenida Vista Montana, San Clemente, CA 92672	Orange

* * * * *

SCHEDULE 4.01(1)(c)

CERTAIN COLLATERAL DOCUMENTS

SCHEDULE 2.01

COMMITMENTS

Lender	Closing Date Term Loan Commitment	Swing Line Sublimit	~~Original~~2017 Initial Revolving Commitment	~~2017~~2021 Initial Revolving Commitment
Deutsche Bank AG New York Branch	$1,250,000,000	$15,000,000		$ 60,000,000
Goldman Sachs Bank USA				$ 35,000,000
KKR Revolving Credit Partners L.P.			$32,675,000	~~$ 32,675,000~~
Jefferies Finance LLC				$ 28,200,000
Bank of America, N.A.				$ 25,000,000
JPMorgan Chase Bank, N.A.				$ 25,000,000
Morgan Stanley Senior				
Funding, Inc.				$ 25,000,000
U.S. Bank National Association		$45,000,000		$ 25,000,000
Wells Fargo Bank, National Association				$ 25,000,000
Mizuho Bank, Ltd.				$ 20,000,000
Bank of Montreal				$ 19,750,000
Royal Bank of Canada				$ 19,750,000
MIHI LLC				$ 11,275,000
Nomura Corporate Funding Americas, LLC				$ 6,275,000
~~Barclays Bank PLC~~			~~$ 2,075,000~~	
Total:			**~~$ 2,075,000~~**	**~~$357,925,000~~**
	$1,250,000,000	**$60,000,000**	**32,675,000**	**325,250,000**

ANNEX III

EXHIBIT G-1 TO CREDIT AGREEMENT

[Amendment No. 8 Intercreditor Agreement to follow]

EXECUTION VERSION

FIRST LIEN INTERCREDITOR AGREEMENT

dated as of

January 22, 2021,

among

DEUTSCHE BANK AG NEW YORK BRANCH,

as Bank Collateral Agent under the Credit Agreement,

WILMINGTON SAVINGS FUND SOCIETY, FSB,

as Notes Collateral Agent under the Indenture,

EACH GRANTOR

and

each Additional Agent from time to time party hereto

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ARTICLE V

Miscellaneous

FIRST LIEN INTERCREDITOR AGREEMENT, dated as of January 22, 2021 (as amended or supplemented from time to time, this "Agreement"), among DEUTSCHE BANK AG NEW YORK BRANCH, as Bank Collateral Agent, WILMINGTON SAVINGS FUND SOCIETY, FSB, as Notes Collateral Agent, each Grantor from time to time party hereto and each Additional Agent from time to time party hereto for the Additional Secured Parties of the Series with respect to which it is acting in such capacity. Capitalized terms used in this paragraph are defined below.

RECITALS

WHEREAS, LTF Intermediate Holdings, Inc. ("Holdings"), Life Time, Inc. (the "Borrower"), and the lenders party thereto from time to time and Deutsche Bank AG New York Branch, as administrative agent and collateral agent, are party to a Credit Agreement, dated as of June 10, 2015 (as amended, restated, supplemented or otherwise modified from time to time, and including any agreement that Refinances the Credit Agreement in accordance with Section 2.08 hereof, the "Credit Agreement"), pursuant to which, among other things, the lenders party thereto have agreed, subject to the terms and conditions set forth therein and in the other Loan Documents (as defined therein), to make certain loans and financial accommodations to the Borrower.

WHEREAS, the Borrower, Holdings, certain of the Borrower's subsidiaries party thereto from time to time, and WILMINGTON SAVINGS FUND SOCIETY, FSB, as trustee and collateral agent, are party to that certain Senior Secured Notes Indenture, dated as of January 22, 2021, as amended, restated, supplemented or otherwise modified from time to time (the "Indenture"), relating to the Company's $925,000,000 of 5.75% Senior Secured Notes due 2026 (the "2026 Notes").

In consideration of the mutual agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Bank Collateral Agent (for itself and on behalf of the Credit Agreement Secured Parties), the Notes Collateral Agent (for itself and on behalf of the Indenture Secured Parties) and each Additional Agent (for itself and on behalf of the Additional Secured Parties of the applicable Series) agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Construction; Certain Defined Terms.

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument, other document, statute or regulation herein shall be construed as referring to such agreement, instrument, other document, statute or regulation as from time to time amended, supplemented or otherwise

modified, (ii) any reference herein to any Person shall be construed to include such Person's successors and assigns, but shall not be deemed to include the subsidiaries of such Person unless express reference is made to such subsidiaries, (iii) the words "herein," "hereof" and "hereunder," and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (iv) all references herein to Articles, Sections and Annexes shall be construed to refer to Articles, Sections and Annexes of this Agreement unless the context requires otherwise, (v) unless otherwise expressly qualified herein, the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights and (vi) the term "or" is not exclusive.

(b) It is the intention of the Secured Parties of each Series that the Additional Secured Parties with respect to any Series of Additional Obligations (and not the Secured Parties of any other Series) bear the risk of any determination by a court of competent jurisdiction that (w) any of the Obligations of such Series are unenforceable under applicable law or are subordinated to any other obligations, (x) the security interest of such Series of Obligations in any of the Collateral securing any other Series is not valid and perfected, (y) any intervening security interest exists securing any other obligations on a basis ranking prior to the security interest of such Series of Obligations or (z) a Guarantee of such Series of Obligations is unenforceable (any such condition referred to in the foregoing clauses (w), (x), (y) or (z), an "Impairment" of such Series). In the event of any Impairment with respect to any Series of Additional Obligations, the results of such Impairment shall be borne solely by the holders of such Series, and the rights of the holders of such Series (including, without limitation, the right to receive distributions in respect of such Series pursuant to Section 2.01) set forth herein shall be modified to the extent necessary so that the effects of such Impairment are borne solely by the holders of the Series subject to such Impairment. Additionally, in the event the Obligations of any Series are modified pursuant to applicable law (including, without limitation, pursuant to Section 1129 of the Bankruptcy Code), then, subject to Section 2.05, any reference to such Obligations or the documents governing such Obligations shall refer to such Obligations or such documents as so modified.

(c) Any references herein to provisions of the Bankruptcy Code, and the use of concepts or terms that find meaning in connection therewith (e.g., "debtor-in-possession") shall be deemed to refer as well to similar provisions, concepts or terms under any other Bankruptcy Law. Any references herein to a security interest being "perfected" shall be deemed to refer to perfection under the Uniform Commercial Code of any U.S. jurisdiction and to similar provisions, concepts or terms under the law of any other jurisdiction (it being understood that in jurisdictions where no such similar provisions, concepts or terms exist, the term "perfected" shall not be given any effect hereunder).

(d) Each Security Document is subject to the terms of this Agreement. In the event of a conflict between the terms of any Security Document and this Agreement, the terms of this Agreement will prevail.

(e) Capitalized terms used and not otherwise defined herein shall have the meanings set forth in the Credit Agreement and the Indenture, as applicable, with the Credit

Agreement controlling, in the event of discrepancies. As used in this Agreement, the following terms have the meanings specified below:

"Additional Agent" means, in respect of any Series of Additional Obligations, the collateral agent, the administrative agent and/or trustee (as applicable) under the applicable Additional Agreement that is designated as "Additional Agent" in the applicable Joinder delivered pursuant to Section 5.02(c) in respect of such Series of Additional Obligations, in each case, together with its successors in such capacity.

"Additional Agreement" shall mean any indenture, debenture, credit agreement or other agreement, document or instrument, if any, pursuant to which any Grantor has or will incur, or evidencing the incurrence by any Grantor of, Additional Obligations; provided that, in each case, the Indebtedness and other obligations thereunder have been designated as Additional Obligations pursuant to and in accordance with Section 5.02(c).

"Additional Obligations" shall mean all advances to, and debts, liabilities and other obligations of any Grantor arising under any Additional Agreement, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Grantor or any Affiliate thereof of any Insolvency or Liquidation Proceeding, regardless of whether such interest and fees are allowed claims in such Insolvency or Liquidation Proceeding, in each case, that have been designated as Additional Obligations pursuant to and in accordance with Section 5.02(c), but which shall not include the Credit Agreement Obligations or the Indenture Obligations.

"Additional Secured Party" means the holders of any Additional Obligations and any Additional Agent with respect thereto.

"Agreement" shall have the meaning assigned to such term in the introductory paragraph of this Agreement.

"Applicable Collateral Agent" means (i) until the earlier of (x) the Discharge of Credit Agreement Obligations and (y) theCut-Off Date (and for these purposes, the Cut-Off Date shall be deemed to have not yet occurred at any time that it has been stayed, deemed not to have occurred or rescinded pursuant to the proviso in the definition thereof), the Bank Collateral Agent and (ii) from and after the time referred to in clause (i), the Major Non-Controlling Agent.

"Bank Collateral Agent" means Deutsche Bank AG New York Branch, in its capacity as Collateral Agent (as defined in the Credit Agreement) together with its successors in such capacity and, in the event the indebtedness outstanding under the Credit Agreement is Refinanced, shall mean the collateral agent under such Refinanced Credit Agreement.

"Bankruptcy Case" shall have the meaning assigned to such term in Section 2.05(b).

"Bankruptcy Code" means Title 11 of the United States Code, as amended, or any successor statute.

"Bankruptcy Law" means the Bankruptcy Code and any similar Federal, state or foreign bankruptcy, insolvency, receivership*concurso mercantil, quiebra* or similar law, including laws for the relief of debtors, in effect in any jurisdiction, including outside of the United States of America.

"Borrower" shall have the meaning assigned to such term in the recitals to this Agreement.

"Business Day" means a day other than a Saturday, Sunday or other day on which banking institutions are authorized or required by law or regulation to close in the State of New York or, with respect to any payments to be made under the Indenture, the place of payment.

"Collateral" means all assets and properties subject to Liens created pursuant to any Security Documents to secure one or more Series of Obligations.

"Combined Real Property Collateral" means (a) initially, the real property collateral identified on Exhibit "A" of the Mortgage Collateral Agency agreement, and (b) thereafter, any other real property or interest therein located in a jurisdictions that assesses mortgage or similar tax on the recordation of a Mortgage and with respect to which the Bank Collateral Agent and the Borrower have designated as Combined Real Property Collateral.

"Collateral Agent" means (i) in the case of any Credit Agreement Obligations, the Bank Collateral Agent, (ii) in the case of the Indenture Obligations, the Notes Collateral Agent, (iii) in the case of any Series of Additional Obligations, the Additional Agent named for such Series in the applicable Joinder, and (iv) at the direction of the Borrower, in the case of Combined Real Property Collateral, the Mortgage Collateral Agent.

"Controlling Secured Parties" means the Series of Secured Parties whose Collateral Agent is the Applicable Collateral Agent;provided, however, until the Discharge of the Senior Priority Credit Agreement Obligations, the Controlling Secured Parties in respect of the Bank Collateral Agent shall be the Senior Priority Credit Agreement Secured Parties, as the context may require.

"Credit Agreement" shall have the meaning assigned to such term in the recitals to this Agreement.

"Credit Agreement Obligations" means the "Obligations" as defined in the Credit Agreement.

"Credit Agreement Secured Parties" means the "Secured Parties" as defined in the Credit Agreement.

"Credit Documents" means (i) the "Loan Documents" as defined in the Credit Agreement, (ii) the Indenture, the 2026 Notes and the "Notes Security Documents" as defined in the Indenture and (iii) any corresponding term(s) in any Additional Agreement. For the avoidance of doubt, the Credit Documents for any Series shall be deemed to include all guarantees and Security Documents securing such Series.

"Cut-Off Date" means, means, with respect to any Major Non-Controlling Agent, the date that is at least 180 days (throughout which 180-day period such Person was the Major

Non-Controlling Agent) after the occurrence of both (i) an Event of Default (under and as defined in Credit Documents under which such Major Non-Controlling Agent is the Collateral Agent) and (ii) the Applicable Collateral Agent's and each other Collateral Agent's receipt of written notice from such Major Non-Controlling Agent certifying that (x) such Event of Default has occurred and is continuing and (y) the Obligations of the Series with respect to which such Major Non- Controlling Agent is the Collateral Agent are currently due and payable in full (whether as a result of acceleration thereof or otherwise) in accordance with the terms of the applicable Credit Document; provided that the Cut-Off Date shall be stayed and shall not occur and shall be deemed not to have occurred and shall be rescinded (1) at any time the Applicable Collateral Agent has commenced and is diligently pursuing any enforcement action with respect to any Shared Collateral or (2) at any time any Grantor that has granted a security interest in such Shared Collateral is then a debtor under or with respect to (or otherwise subject to) any Insolvency or Liquidation Proceeding.

"DIP Financing" shall have the meaning assigned to such term in Section 2.05(b).

"DIP Financing Liens" shall have the meaning assigned to such term in Section 2.05(b).

"DIP Lenders" shall have the meaning assigned to such term in Section 2.05(b).

"Discharge" means, with respect to any Series of Obligations, (a) payment in full in cash of the principal of and interest (including interest accruing during the pendency of any Insolvency or Liquidation Proceeding, regardless of whether allowed or allowable in such Insolvency or Liquidation Proceeding) and premium, if any, on all Indebtedness outstanding under such Series, (b) payment in full of all other Obligations (other than indemnification and contingent obligations for which no claim has been made) that are due and payable or otherwise accrued and owing at or prior to the time such principal and interest are paid in connection with such Series, (c) cancellation of or the entry into such other arrangements with respect to all letters of credit issued and outstanding under such Series, if any, as required under the applicable Credit Documents, (d) with respect to the Senior Priority Credit Agreement Obligations, cancellation of or the entry into such other arrangements with respect to all Secured Bank Guarantees (as defined in the Credit Agreement) satisfactory to the applicable Guarantee Banks (as defined in the Credit Agreement) and (e) termination or expiration of all commitments to lend and all obligations to issue or extend letters of credit under such Series, if any, provided, however, that the Discharge of the Obligations of any Series shall be deemed not to have occurred if the Obligations in respect of such Series are Refinanced in accordance with Section 2.08 hereof.

"Event of Default" means any "Event of Default" under and as defined in the Credit Agreement, the Indenture or an Additional Agreement, as the context requires, provided that any notice, lapse of time or other condition precedent to the occurrence of such Event of Default in the relevant instrument shall have been satisfied.

"Grantor Joinder" means the document required to be delivered by a Grantor pursuant to Section 5.16.

"Grantors" means Holdings, the Borrower and any other Person that has granted a security interest pursuant to any Security Document to secure any Series of Obligations.

"Guarantee" means any guarantee of the Credit Agreement Obligations, the Indenture Obligations or any Additional Obligations, as the context may require, provided under or pursuant to any Credit Document.

"Guarantor" means Holdings and any other Person that has provided a Guarantee.

"Holdings" shall have the meaning assigned to such term in the recitals to this Agreement.

"Impairment" shall have the meaning assigned to such term in Section 1.01(b).

"Indenture" shall have the meaning assigned to such term in the recitals to this Agreement.

"Indenture Obligations" means the "Secured Obligations" as defined in the Notes Security Agreement.

"Indenture Secured Parties" means the "Secured Parties" as defined in the Indenture and any equivalent term in the Notes Security Agreement.

"Insolvency or Liquidation Proceeding" means, as to any Grantor, any proceeding resulting from:

(1) an involuntary proceeding having been commenced or an involuntary petition shall be filed in a court of competent jurisdiction seeking (i) relief in respect of such Grantor, or of a substantial part of the property or assets of such Grantor, under the Bankruptcy Code or any Bankruptcy Law, (ii) the appointment of a receiver, trustee, custodian, *conciliador, síndico,* sequestrator, conservator or similar official for such Grantor or for a substantial part of the property or assets of such Grantor or (iii) the winding up or liquidation of such Grantor; and such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered; or

(2) such Grantor having (i) voluntarily commenced any proceeding or file any petition seeking relief under the Bankruptcy Code or any Bankruptcy Law, (ii) consented to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or the filing of any petition described in paragraph (1) above, (iii) applied for or consented to the appointment of a receiver, trustee, custodian, *conciliador, síndico,* sequestrator, conservator or similar official for such Grantor or for a substantial part of the property or assets of such Grantor, (iv) filed an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) made a general assignment for the benefit of creditors or (vi) become unable or admitted in writing its inability or fail generally to pay its debts as they become due.

"Intervening Creditor" shall have the meaning assigned to such term in Section 2.01(b).

"Joinder" means the document required to be delivered by a Collateral Agent to the Applicable Collateral Agent pursuant to (i) clause (ii) of Section 5.02(c) in order to create a Series of Additional Obligations or (ii) Section 2.08.

"Lien" means, with respect to any asset, any mortgage, lien (statutory or other), pledge, charge, hypothecation, assignment, security interest, deposit arrangement or similar encumbrance or any preference, priority or other security agreement or preferential arrangement of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement or any lease in the nature thereof).

"Major Non-Controlling Agent" means, at any time with respect to any Shared Collateral, the Collateral Agent (other than the Bank Collateral Agent at such time) of the Series of Obligations that constitutes the then largest outstanding principal amount of any outstanding Series of Obligations (excluding the Credit Agreement Obligations) with respect to such Shared Collateral.

"Mortgage Collateral Agency Agreement" means a mortgage collateral agency agreement entered into by the Bank Collateral Agent, the Notes Collateral Agent and the Mortgage Collateral Agent, the Company and certain subsidiaries of the Company, as amended, restated, supplemented or otherwise modified from time to time.

"Mortgage Collateral Agent" means Deutsche Bank AG New York Branch, or its successor and/or assigns.

"Mortgages" means collectively, the deeds of trust, trust deeds, hypothecs, deeds to secure debt and mortgages, including such instruments existing as of the date of this Agreement securing the Credit Agreement Obligations, as amended to also secure other Obligations, including such modifications as may be required by local laws.

"New York UCC" means the Uniform Commercial Code as from time to time in effect in the State of New York.

"Non-Controlling Agent" means, at any time with respect to any Shared Collateral, each Collateral Agent that is not the Applicable Collateral Agent.

"Notes Collateral Agent" means WILMINGTON SAVINGS FUND SOCIETY, FSB, in its capacity as Collateral Agent (as defined in the Indenture) under the Indenture, together with its successors in such capacity and, in the event the indebtedness outstanding under the Indenture is Refinanced, shall mean the Collateral Agent under such Refinanced Indenture.

"Notes Security Agreement" means that certain Security Agreement dated as of the date hereof, among Holdings, the Company, certain subsidiaries of the Company and the Notes Collateral Agent.

"Obligations" means the Credit Agreement Obligations, the Indenture Obligations and each Series of Additional Obligations, as the context may require.

"Party" means a party to this Agreement. The term "Parties" means a collective reference thereto.

"Person" means any individual, corporation, company, partnership, limited liability company, joint venture, association, joint stock company, trust, unincorporated organization, government (or any agency or political subdivision thereof) or any other entity.

"Possessory Collateral" means any Shared Collateral in the possession of any Collateral Agent (or its agents or bailees), to the extent that possession thereof perfects a Lien thereon under the Uniform Commercial Code as in effect in any U.S. jurisdiction or the law of any non-U.S. jurisdiction. Possessory Collateral includes, without limitation, any Certificated Securities, Promissory Notes, Instruments and Chattel Paper, in each case, delivered to or in the possession of any Collateral Agent (or its agents or bailees) under the terms of the Security Documents. All capitalized terms used in this definition and not defined elsewhere in this Agreement have the meanings assigned to them in the New York UCC.

"Proceeds" shall have the meaning assigned to such term in Section 2.01.

"Refinance" means, in respect of any indebtedness, to refinance, extend, renew, defease, amend, increase, modify, supplement, restructure, refund, replace or repay, or to issue other indebtedness or enter alternative financing arrangements, in exchange or replacement for such indebtedness (in whole or in part), including by adding or replacing lenders, creditors, agents, borrowers and/or guarantors, and including in each case, but not limited to, after the original instrument giving rise to such indebtedness has been terminated and including, in each case, through any credit agreement, indenture or other agreement or instrument. "Refinanced" and "Refinancing" have correlative meanings.

"Responsible Officer" of any Person shall mean any executive officer or the Chief Financial Officer, principal accounting officer, Treasurer, Assistant Treasurer or Controller (or the equivalents in the relevant jurisdictions) of such Person and any other officer or similar official thereof responsible for the administration of the obligations of such Person in respect of this Agreement.

"Secured Parties" means the Senior Priority Credit Agreement Secured Parties, , the Indenture Secured Parties and the Additional Secured Parties with respect to each Series of Additional Obligations, as the context may require.

"Security Documents" means each agreement, instrument or other document entered into in favor of any Collateral Agent, or any Collateral Agent and any other Secured Parties, for purposes of securing any Series of Obligations, and the Mortgage Collateral Agency Agreement.

"Senior Priority Credit Agreement Obligations" means all Credit Agreement Obligations.

"Senior Priority Credit Agreement Secured Parties" means the Credit Agreement Secured Parties solely in respect of the Senior Priority Credit Agreement Obligations.

"Senior Priority Obligations" means all Obligations of each Series.

"Series" means (a) with respect to the Secured Parties, each of the Senior Priority Credit Agreement Secured Parties (in their capacities as such), the Indenture Secured Parties (in their capacity as such) and the Additional Secured Parties that become subject to this Agreement that are represented by a common Collateral Agent (in its capacity as such for the Additional Secured Parties), as the context may require, and (b) with respect to any Obligations, each of the Senior Priority Credit Agreement Obligations, the Indenture Obligations and the Additional Obligations that pursuant to any Joinder, are to be represented by a common Collateral Agent (in its capacity as such for the Additional Secured Parties), as the context may require.

"Shared Collateral" means, at any time, Collateral in which the holders of two or more Series of Obligations (or their respective Collateral Agents or a Mortgage Collateral Agent, if applicable) hold, or are beneficiaries of, a valid and perfected security interest at such time. If more than two Series of Obligations are outstanding at any time and the holders of fewer than all Series of Obligations hold, or are beneficiaries of, a valid and perfected security interest in any Collateral at such time, then such Collateral, cash or other assets, as applicable, shall constitute Shared Collateral for those Series of Obligations that hold, or are beneficiaries of, a valid and perfected security interest in such Collateral at such time, and shall not constitute Shared Collateral for any Series that does not have, or are not beneficiaries of, a valid and perfected security interest in such Collateral at such time. The proceeds of any title insurance issued in connection with any Mortgages on such Shared Collateral shall be deemed to be Shared Collateral whether or not each Collateral Agent is an insured under such title insurance policies.

ARTICLE II

Priorities and Agreements with Respect to Shared Collateral

SECTION 2.01. Priority of Claims.

(a) Anything contained herein or in any of the Credit Documents to the contrary notwithstanding (but subject to Section 1.01(b)), if an Event of Default has occurred and is continuing and the Applicable Collateral Agent is taking action to enforce rights in respect of any Shared Collateral, or any distribution is made in respect of any Shared Collateral in any Insolvency or Liquidation Proceeding of any Grantor or otherwise, or any Collateral Agent or any Secured Party receives any payment pursuant to any intercreditor agreement (other than this Agreement) with respect to any Shared Collateral, then the proceeds of any sale, collection or other liquidation or disposition of any such Shared Collateral received by any Collateral Agent or any Secured Party and proceeds of any such distribution (all proceeds of any such sale, collection or other liquidation or disposition of any Shared Collateral and all proceeds of any such distribution being collectively referred to as "Proceeds"), shall be applied in the following order:

(i) FIRST, to (A) the payment of all amounts owing to each Collateral Agent (in its capacity as such) and any Mortgage Collateral Agent pursuant to the terms of this

Agreement and any Credit Document or Security Document, (B) in the case of any such enforcement of rights or exercise of remedies, to the payment of all costs and expenses incurred by such Collateral Agent, Mortgage Collateral Agent or any of its related Secured Parties in connection therewith, including all court costs and the fees and expenses of agents and legal counsel, and (C) in the case of any such payment pursuant to any such intercreditor agreement or Credit Document to the payment of all costs and expenses incurred by such Collateral Agent, Mortgage Collateral Agent or any of its related Secured Parties in enforcing its rights thereunder to obtain such payment;

(ii) SECOND, subject to Section 1.01(b) and Section 2.01(b) to the extent Proceeds remain after the application pursuant to preceding clause (i), to the payment in full of the Senior Priority Obligations on a ratable basis in accordance with the amounts of such Obligations owed on the date of any such distribution and the terms of the applicable Credit Documents; and

(iii) THIRD, after the Discharge of the Senior Priority Obligations, to the Borrower or any Grantor, as applicable, their successor or assigns, or as a court of competent jurisdiction may otherwise direct.

(b) Notwithstanding the foregoing, with respect to any Shared Collateral for which a third party (other than a Secured Party) has a lien or security interest that is junior in priority to the security interest of Credit Agreement Obligations and the Indenture Obligations but senior (as determined by appropriate legal proceedings in the case of any dispute) to the security interest of any other Series of Obligations (such third party an "Intervening Creditor"), the value of any Shared Collateral or Proceeds which are allocated to such Intervening Creditor shall be deducted on a ratable basis solely from the Shared Collateral or Proceeds to be distributed in respect of the Series of Obligations with respect to which such Impairment exists.

(c) Notwithstanding the date, time, method, manner or order of grant, attachment or perfection of any Liens securing any Series of Obligations granted on the Shared Collateral and notwithstanding any provision of the Uniform Commercial Code as in effect in any U.S. jurisdiction, or any other applicable law or the Credit Documents or any defect or deficiencies in the Liens securing the Obligations of any Series or any other circumstance whatsoever (but, in each case, subject to Section 1.01(b) and Section 2.01(b)), each Secured Party hereby agrees that (i) the Liens securing each Series of Obligations on any Shared Collateral shall be of equal priority, but subject to Section 2.01(a) above, and (ii) the benefits and proceeds of the Shared Collateral shall be shared among the Secured Parties as provided herein.

(d) Calculations by the Collateral Agents and the other Secured Parties under this Agreement of amounts of Obligations outstanding shall be made using (x) the Dollar Amount (as defined in the Credit Agreement) of all such amounts owing in respect of the Credit Agreement Obligations, (y) the U.S. dollar equivalent of all such amounts owing in respect of the Indenture Obligations, as determined by the Notes Collateral Agent pursuant to the Credit Documents applicable to the Indenture Obligations, and (z) the U.S. dollar equivalent of all such amounts owing in respect of any other Series of Additional Obligations, as determined by the applicable Collateral Agent pursuant to the Credit Documents applicable to such Obligations.

(e) If Proceeds with respect to any Shared Collateral are allocated pursuant to Section 2.01(a) to any Series of Secured Parties that lacked a valid and perfected security interest, or was subject to Impairment, with respect to such Shared Collateral (the "Second Series"), such payment shall not relate to, nor affect in any way, the Obligations owed to the Second Series by the Grantors.

SECTION 2.02. Actions With Respect to Shared Collateral; Prohibition onContesting Liens.

(a) With respect to any Shared Collateral, (i) the Applicable Collateral Agent shall have the sole right to act or refrain from acting with respect to the Shared Collateral (including with respect to any intercreditor agreement with respect to any Shared Collateral), (ii) the Applicable Collateral Agent shall not be obligated to, and shall not, follow any instructions with respect to such Shared Collateral (including with respect to any intercreditor agreement with respect to any Shared Collateral) from any Non-Controlling Agent (or any other Secured Party other than the Controlling Secured Parties) and (iii) no Non-Controlling Agent or other Secured Party (other than the Controlling Secured Parties) shall, or shall instruct the Applicable Collateral Agent to, commence any judicial or nonjudicial foreclosure proceedings with respect to, seek to have a trustee, receiver, liquidator or similar official appointed for or over, attempt any action to take possession of, exercise any right, remedy or power with respect to, or otherwise take any action to enforce its security interest in or realize upon, or take any other action available to it in respect of, any Shared Collateral (including with respect to any intercreditor agreement with respect to any Shared Collateral), whether under any Security Document, applicable law or otherwise, it being agreed that only the Applicable Collateral Agent, acting in accordance with the applicable Security Documents, shall be entitled to take any such actions or exercise any such remedies with respect to Shared Collateral; provided that, notwithstanding the foregoing, (i) in any Insolvency or Liquidation Proceeding, any Collateral Agent or any other Secured Party may file a proof of claim or statement of interest with respect to the Obligations owed to the applicable Secured Parties; (ii) any Collateral Agent or any other Secured Party may take any action to preserve or protect the validity and enforceability of the Liens granted in favor of the applicable Secured Parties, provided that no such action is, or could reasonably be expected to be, (A) adverse to the Liens granted in favor of the Controlling Secured Parties or the rights of the Applicable Collateral Agent or any other Controlling Secured Parties to exercise remedies in respect thereof or (B) otherwise inconsistent with the terms of this Agreement, including the automatic release of the Liens provided in Section 2.04; and (iii) any Collateral Agent or any other Secured Party may file any responsive or defensive pleadings in opposition to any motion, claim, adversary proceeding or other pleading made by any Person objecting to or otherwise seeking the disallowance of the claims of such Secured Party, including any claims secured by the Shared Collateral, in each case, to the extent not inconsistent with the terms of this Agreement. Notwithstanding the equal priority of the Liens (but subject to Section 2.01(a)), the Applicable Collateral Agent may deal with the Shared Collateral as if the Applicable Collateral Agent had a senior and exclusive Lien on such Collateral. The foregoing shall not be construed to limit the rights and priorities of any Secured Party or Collateral Agent with respect to any Collateral not constituting Shared Collateral.

(b) The Collateral Agents agree that they will not accept any Lien on any asset of any Grantor securing Obligations of any Series for the benefit of any Series of Secured Parties

other than pursuant to Security Documents, other than (i) any funds deposited for the discharge or defeasance of any Obligations of any Series, (ii) any funds deposited as cash collateral for Credit Agreement Obligations in respect of letters of credit and (iii) any rights of set-off under the Credit Documents for any Series.

(c) Each Collateral Agent and the Series of Secured Parties for which it is acting hereunder agree to be bound by the provisions of this Agreement.

SECTION 2.03. No Interference; Payment Over; No New Liens.

(a) Each Secured Party, by its acceptance of the benefits of this Agreement, agrees that (i) it will not challenge or question, or support any other Person in challenging or questioning, in any proceeding the validity or enforceability of any Obligations of any Series or any Security Document or the validity, attachment, perfection or priority of any Lien under any Security Document or the validity or enforceability of the priorities, rights or duties established by, or other provisions of, this Agreement; provided that nothing in this Agreement shall be construed to prevent or impair the rights of any Secured Party from challenging or questioning the validity or enforceability of any Obligations constituting unmatured interest or the validity of any Lien relating thereto pursuant to Section 502(b)(2) of the Bankruptcy Code or any similar provision of foreign law; (ii) it will not take or cause to be taken any action the purpose or intent of which is, or could be, to interfere, hinder or delay, in any manner, whether by judicial proceedings or otherwise, any sale, transfer or other disposition of the Shared Collateral by the Applicable Collateral Agent, (iii) except as provided in Section 2.02 or to the extent the Applicable Agent is the Collateral Agent for the Series of Obligations of such Secured Party, it shall have no right to (A) direct any Collateral Agent or any other Secured Party to exercise any right, remedy or power with respect to any Shared Collateral (including pursuant to any intercreditor agreement) or (B) consent to the exercise by any Collateral Agent or any other Secured Party of any right, remedy or power with respect to any Shared Collateral (including pursuant to any intercreditor agreement), (iv) it will not institute any suit or assert in any Insolvency or Litigation Proceeding or other proceeding any claim against the Applicable Collateral Agent or any other Secured Party seeking damages from or other relief by way of specific performance, instructions or otherwise with respect to any Shared Collateral, and the Applicable Collateral Agent or other Secured Party shall not be liable for any action taken or omitted to be taken in accordance with the provisions of this Agreement, (v) it will not attempt, directly or indirectly, whether by judicial proceedings or otherwise, to challenge the enforceability of any provision of this Agreement and (vi) it will not seek, and hereby waives any right, to have any Shared Collateral or any part thereof marshaled upon any foreclosure or other disposition of such Collateral; provided that nothing in this Agreement shall be construed to prevent or impair the rights of any Collateral Agent or any other Secured Party to enforce this Agreement in accordance with its terms.

(b) Each Secured Party, by its acceptance of the benefits of this Agreement, agrees that if it shall obtain possession of any Shared Collateral or shall realize any Proceeds or payment in respect of any such Shared Collateral, pursuant to any Security Document or by the exercise of any rights available to it under applicable law or in any Insolvency or Liquidation Proceeding or through any other exercise of remedies (including pursuant to any intercreditor agreement), at any time prior to the Discharge of each of the Obligations, then it shall hold such Shared Collateral, Proceeds or payment in trust for the other Secured Parties that have a security

interest in such Shared Collateral and promptly transfer such Shared Collateral, Proceeds or payment, as the case may be, to the Applicable Collateral Agent, to be distributed in accordance with the provisions of Section 2.01.

SECTION 2.04. Automatic Release of Liens; Amendments to Security Documents

(a) Upon any release, sale or disposition of Shared Collateral permitted pursuant to the terms of the Credit Agreement and the other applicable Credit Documents that results in the release of the Lien in respect of the Credit Agreement Obligations on any Shared Collateral (excluding any sale or other disposition that is expressly prohibited by the Indenture and/or an Additional Agreement), the Lien in respect of the Indenture Obligations and such Additional Obligation on Shared Collateral shall be automatically and unconditionally released with no further consent or action of any Person.

(b) If, at any time, the Applicable Collateral Agent forecloses upon or otherwise exercises remedies against any Shared Collateral, and in connection therewith takes action to release any Liens over such Shared Collateral, then (whether or not any Insolvency or Liquidation Proceeding is pending at the time) the Liens in favor of each other Collateral Agent for the benefit of each Series of Secured Parties upon such Shared Collateral will automatically be released and discharged as and when, but only to the extent, such Liens of the Applicable Collateral Agent on such Shared Collateral are released and discharged; provided that any proceeds of any Shared Collateral realized therefrom shall be applied pursuant to Section 2.01.

(c) Each Collateral Agent agrees to promptly execute and deliver (at the sole cost and expense of the Grantors), without representation or warranty (express or implied), all such authorizations and other instruments as shall reasonably be requested by the Applicable Collateral Agent to evidence and confirm any release of Shared Collateral provided for in this Section 2.04(a).

(d) Each Secured Party, by its acceptance of the benefits of this Agreement, agrees that if the Applicable Collateral Agent enters into any amendment to any Security Document relating to the Series of Obligations for which the Applicable Collateral Agent is acting, the Borrower may require each other Collateral Agent to enter into corresponding amendments to the Security Documents governing the Series of Obligations for which such Collateral Agent is acting so long as (i) the effect of such amendments are consistent with the effect to the Security Documents for the Series of Obligations for which the Applicable Collateral Agent is acting, (ii) the effect of such amendment is not to release or subordinate the Liens securing such Series of Obligations or otherwise adverse to the holders of such Series of Obligations (except to the extent already permitted by the Credit Documents governing such Series of Obligations) and (iii) the Borrower delivers a certificate of an executive officer of the Borrower to such Collateral Agent stating that the requirements of this sentence have been satisfied.

SECTION 2.05. Certain Agreements With Respect to Bankruptcy or Insolvency Proceedings.

(a) This Agreement shall continue in full force and effect notwithstanding the commencement of any Insolvency or Liquidation Proceeding by or against any Grantor or any of its subsidiaries. If, in any Insolvency or Liquidation Proceeding, debt obligations of the reorganized debtor secured by Liens upon any property of the reorganized debtor are distributed, pursuant to a plan of reorganization or similar dispositive restructuring plan, on account of each Series of Obligations, then, to the extent the debt obligations distributed on account of each Series of Obligations are secured by Liens upon the same assets or property, the provisions of this Agreement will survive the distribution of such debt obligations pursuant to such plan and will apply with like effect to the Liens securing such debt obligations.

(b) If any Grantor shall become subject to a case (a "Bankruptcy Case") under the Bankruptcy Code or any other Bankruptcy Law and shall, as debtor(s)-in-possession or similar capacity under other Bankruptcy Law, move for approval of financing ("DIP Financing") to be provided by one or more lenders (the "DIP Lenders") under Section 364 of the Bankruptcy Code or any similar provision of other Bankruptcy Law or the use of cash collateral under Section 363 of the Bankruptcy Code or any similar provision of other Bankruptcy Law, each Secured Party agrees that it will raise no objection to any such financing or to the Liens on the Shared Collateral securing the same ("DIP Financing Liens") or to any use of cash collateral that constitutes Shared Collateral, in each case unless the Applicable Collateral Agent shall then oppose or object to such DIP Financing or such DIP Financing Liens or such use of cash collateral (and (i) to the extent that such DIP Financing Liens are senior to the Liens on any such Shared Collateral for the benefit of Controlling Secured Parties, each other Secured Party will subordinate its Liens with respect to such Shared Collateral on the same terms as the Liens of the Controlling Secured Parties (other than any Liens of any Secured Parties constituting DIP Financing Liens) are subordinated thereto, and (ii) to the extent that such DIP Financing Liens rank pari passu with the Liens on any such Shared Collateral granted to secure the Obligations of the Controlling Secured Parties, each other Secured Party will confirm the priorities with respect to such Shared Collateral as set forth herein), in each case so long as (A) the Secured Parties of each Series retain the benefit of their Liens on all such Shared Collateral pledged to the DIP Lenders, including proceeds thereof arising after the commencement of such Bankruptcy Case, with the same priority vis-à-vis all the other Secured Parties (other than any Liens of the Secured Parties constituting DIP Financing Liens) as existed prior to the commencement of such Bankruptcy Case, (B) the Secured Parties of each Series are granted Liens on any additional collateral pledged to any Secured Parties as adequate protection or otherwise in connection with such DIP Financing or use of cash collateral, with the same priority vis-à-vis the Secured Parties as set forth in this Agreement, (C) if any amount of such DIP Financing or cash collateral is applied to repay any of the Obligations, such amount is applied pursuant to Section 2.01, and (D) if any Secured Parties are granted adequate protection with respect to Obligations subject hereto, including in the form of periodic payments, in connection with such use DIP Financing or use of cash collateral, the proceeds of such adequate protection are applied pursuant to Section 2.01; provided, however, that (x) the Secured Parties of each Series shall have a right to object to the grant of a Lien to secure the DIP Financing over any collateral securing such Series that is not Shared Collateral; and (y) the Secured Parties receiving adequate protection shall not object to any other Secured Party receiving adequate protection comparable to any adequate protection granted to such Secured Parties in connection with a DIP Financing or use of cash collateral.

SECTION 2.06. Reinstatement. In the event that any of the Obligations shall be paid in full and such payment or any part thereof shall subsequently, for whatever reason (including an order or judgment for disgorgement of a preference under the Bankruptcy Code, or any similar law, or the settlement of any claim in respect thereof), be required to be returned or repaid, the terms and conditions of this Article II shall be fully applicable to such Obligations until all such Obligations shall again have been paid in full in cash.

SECTION 2.07. Insurance. As among the Secured Parties, following the occurrence of an Event of Default, the Applicable Collateral Agent shall have the right to adjust or settle any insurance policy or claim covering or constituting Shared Collateral in the event of any loss thereunder and to approve any award granted in any condemnation or similar proceeding affecting the Shared Collateral solely to the extent the Secured Parties or holders of any Series of Obligations possess such right under the Credit Documents, and the Applicable Collateral Agent shall apply the proceeds received from any such adjustment, settlement or award in accordance with the provisions of Section 2.01.

SECTION 2.08. Refinancings. The Obligations of any Series may be Refinanced, in whole or in part, in each case, without notice to, or the consent (except to the extent a consent is otherwise required to permit the Refinancing transaction under any Credit Document) of any Secured Party of any other Series, all without affecting the priorities provided for herein or the other provisions hereof in compliance with Section 5.02(c); provided that nothing in this Section shall affect any limitation on any such Refinancing that is set forth in the Credit Documents of any such other Series; and provided, further that, if any obligations of the Grantors in respect of such Refinancing indebtedness shall be secured by Liens on any Shared Collateral, then such obligations and the holders thereof shall be subject to and bound by the provisions of this Agreement and the Collateral Agent and any Additional Agent (or replacement Bank Collateral Agent or replacement Notes Collateral Agent, if applicable), of the holders of any such Refinancing indebtedness shall have executed a Joinder. The Grantors and the Secured Parties agree to enter into any documents or take any other actions reasonably necessary to preserve the priorities provided for herein in light of, and after giving effect to, such Refinancing.

SECTION 2.09. Certain Cash Collateral. Notwithstanding anything in this Agreement or any other Credit Documents to the contrary, collateral consisting of cash and cash equivalents pledged to secure Credit Agreement Obligations consisting of reimbursement obligations in respect of letters of credit or otherwise held by the Administrative Agent (as defined in the Credit Agreement) pursuant to Section 2.03 of the Credit Agreement (or any equivalent successor provision) shall be applied as specified in the Credit Agreement and will not constitute Shared Collateral.

SECTION 2.10. Possessory Collateral Agent as Gratuitous Bailee for Perfection; Combined Real Property Collateral.

(a) The Possessory Collateral shall be delivered to the Applicable Collateral Agent, and the Applicable Collateral Agent agrees to hold any Shared Collateral constituting Possessory Collateral in its possession or control (or in the possession or control of its agents or bailees) as gratuitous bailee for the benefit of each other Secured Party with a Lien over such Shared Collateral and any assignee solely for the purpose of perfecting the security interest granted

in such Possessory Collateral, if any, pursuant to the applicable Security Documents, in each case, subject to the terms and conditions of this Section 2.10); provided that at any time after the Discharge of Obligations of the Series for which the Applicable Collateral Agent is acting, the Applicable Collateral Agent shall (at the sole cost and expense of the Grantors), promptly deliver all Possessory Collateral to the Applicable Collateral Agent (after giving effect to the Discharge of such Obligations) together with any necessary endorsements reasonably requested by the Applicable Collateral Agent (or make such other arrangements as shall be reasonably requested by the Applicable Collateral Agent to allow the Applicable Collateral Agent to obtain control of such Possessory Collateral).

(b) Pending delivery to the Applicable Collateral Agent, each other Collateral Agent agrees to hold any Shared Collateral constituting Possessory Collateral, from time to time in its possession, as gratuitous bailee for the benefit of each other Secured Party and any assignee, solely for the purpose of perfecting the security interest granted in such Possessory Collateral, if any, pursuant to the applicable Security Documents, in each case, subject to the terms and conditions of this Section 2.10.

(c) The duties or responsibilities of each Collateral Agent under this Section 2.10 shall be limited solely to holding any Shared Collateral constituting Possessory Collateral as gratuitous bailee for the benefit of each other Secured Party for purposes of perfecting the Lien held by such Secured Parties therein.

(d) With respect to Collateral constituting Combined Real Property Collateral, pursuant to the Mortgage Collateral Agency Agreement, the Bank Collateral Agent and the Notes Collateral Agent shall, at the direction of the Borrower, appoint the Mortgage Collateral Agent, who shall agree to, among other things, (i) accept the Mortgages on Combined Real Property Collateral on behalf the Secured Parties, (ii) execute all instruments and file all continuation statements and similar instruments in any applicable jurisdiction, in the forms prepared by the Bank Collateral Agent or the Borrower, as applicable, as shall be necessary to continue the effectiveness of perfected liens on all of the Combined Real Property Collateral, (iii) receive and provide notices and other communications pursuant to such Mortgages, (iv) exercise the rights and remedies of the beneficiary or mortgagee under such Mortgages and (v) otherwise deal with the Combined Real Property Collateral.

ARTICLE III

Existence and Amounts of Liens and Obligations

Whenever any Collateral Agent shall be required, in connection with the exercise of its rights or the performance of its obligations hereunder, to determine the existence or amount of any Obligations of any Series, or the Shared Collateral subject to any Lien securing the Obligations of any Series, it may request that such information be furnished to it in writing by each other Collateral Agent and shall be entitled to make such determination on the basis of the information so furnished; provided that if any Collateral Agent shall fail or refuse reasonably promptly to provide the requested information, the requesting Collateral Agent shall be entitled to make any such determination by such method as it may, in the exercise of its good faith judgment, determine, including by reliance upon a certificate of the Borrower. Each Collateral Agent may

rely conclusively, and shall be fully protected in so relying, on any determination made by it in accordance with the provisions of the preceding sentence (or as otherwise directed by a court of competent jurisdiction) and shall have no liability to any Grantor, any Secured Party or any other person as a result of such determination.

ARTICLE IV

The Applicable Collateral Agent

SECTION 4.01. Appointment and Authority.

(a) Each of the Secured Parties hereby irrevocably appoints and authorizes the Applicable Collateral Agent to take such actions on its behalf and to exercise such powers as are delegated to the Applicable Collateral Agent by the terms hereof or thereof, including for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by any Grantor to secure any of the Obligations, together with such powers and discretion as are reasonably incidental thereto. In this connection, the Applicable Collateral Agent (including in its capacity as Mortgage Collateral Agent) and any co-agents, subagents, delegates, receivers and attorneys-in-fact appointed by the Applicable Collateral Agent pursuant to Section 4.05 for purposes of holding or enforcing any Lien on the Collateral (or any portion thereof) granted under any of the Security Documents, or for exercising any rights and remedies thereunder, shall be entitled to the benefits of all provisions of this Article IV (as though such co-agents, sub-agents and attorneys-in-fact were the collateral agent under the Security Documents) as if set forth in full herein with respect thereto. Without limiting the foregoing, each of the Secured Parties, and each Collateral Agent, hereby agrees to provide such cooperation and assistance as may be reasonably requested by the Applicable Collateral Agent to facilitate and effect actions taken or intended to be taken by the Applicable Collateral Agent pursuant to this Article IV, such cooperation to include execution and delivery of notices, instruments and other documents as are reasonably deemed necessary by the Applicable Collateral Agent to effect such actions, and joining in any action, motion or proceeding initiated by the Applicable Collateral Agent for such purposes.

(b) Each Secured Party acknowledges and agrees that, subject to the express terms of this Agreement, the Applicable Collateral Agent shall be entitled, for the benefit of the Secured Parties, to sell, transfer or otherwise dispose of or deal with any Shared Collateral as provided herein and in any of the Security Documents, without regard to any rights to which the holders of the Secured Obligations would otherwise be entitled as a result of such Secured Obligations. Without limiting the foregoing, each Secured Party agrees that no Collateral Agent, or other Secured Party shall have any duty or obligation first to marshal or realize upon any type of Shared Collateral (or any other Collateral securing any of the Obligations), or to sell, dispose of or otherwise liquidate all or any portion of such Shared Collateral (or any other Collateral securing any Obligations), in any manner that would maximize the return to such Secured Party or any Series of Secured Parties, notwithstanding that the order and timing of any such realization, sale, disposition or liquidation may affect the amount of proceeds actually received by such Secured Party from such realization, sale, disposition or liquidation. Each of the Secured Parties waives any claim it may now or hereafter have against any Collateral Agent for any other Series of Obligations or any other Secured Party of any other Series arising out of (i) any actions which any Collateral Agent or any Secured Party takes or omits to take (including actions with respect to

the creation, perfection or continuation of Liens on any Collateral, actions with respect to the foreclosure upon, sale, release or depreciation of, or failure to realize upon, any of the Collateral and actions with respect to the collection of any claim for all or any part of the Obligations from any account debtor, guarantor or any other party) in accordance with the Security Documents or any other agreement related thereto or in connection with the collection of the Obligations or the valuation, use, protection or release of any security for the Obligations, (ii) any election by any Collateral Agent or any holders of Obligations, in any proceeding instituted under the Bankruptcy Code, of the application of Section 1111(b) of the Bankruptcy Code or (iii) any borrowing by, or grant of a security interest or administrative expense priority under Section 364 of the Bankruptcy Code by, any Grantor or any of its subsidiaries, as debtor-in-possession, in each case, except as a result of a breach of this Agreement.

SECTION 4.02. Rights as a Secured Party.

(a) The Person serving as the Applicable Collateral Agent hereunder shall have the same rights and powers in its capacity as a Secured Party under any Series of Obligations that it holds as any other Secured Party of such Series and may exercise the same as though it were not the Applicable Collateral Agent and the term "Secured Party" or "Secured Parties" or (as applicable) "Credit Agreement Secured Party," "Credit Agreement Secured Parties," "Indenture Secured Party," "Indenture Secured Parties," "Additional Secured Party" or "Additional Secured Parties" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Applicable Collateral Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Grantors or any subsidiary or other Affiliate thereof as if such Person were not the Applicable Collateral Agent hereunder and without any duty to account therefor to any other Secured Party.

SECTION 4.03. Exculpatory Provisions.

(a) No Collateral Agent shall have any duties or obligations under this Agreement except those expressly set forth herein. Without limiting the generality of the foregoing, each Collateral Agent:

(i) shall not be subject to any fiduciary or other implied duties, regardless of whether an Event of Default has occurred and is continuing;

(ii) shall not have any duty to take any discretionary action or exercise any discretionary powers contemplated hereby and such Collateral Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose such Collateral Agent to liability or that is contrary to this Agreement or applicable law;

(iii) shall not, except as expressly set forth herein, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to a Grantor or any of its affiliates that is communicated to or obtained by the entities serving as a Collateral Agent or any of its affiliates in any capacity;

(iv) shall not be liable for any action taken or not taken by it (1) in the absence of its own gross negligence or willful misconduct or (2) in reliance on a certificate of an

authorized officer of the Borrower stating that such action is permitted by the terms of this Agreement. Each Collateral Agent shall be deemed not to have knowledge of any Default or Event of Default under any Series of Obligations unless and until notice describing such Default or Event of Default and referencing the applicable agreement is given to such Collateral Agent at the address provided in Section 5.01 by the Collateral Agent of such Obligations or a Grantor;

(v) shall not be responsible for or have any duty to ascertain or inquire into (1) any statement, warranty or representation made in or in connection with this Agreement (except for its representations and warranties set forth in Article V) or any Security Document, (2) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (3) the performance or observance by any other Person of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default or Event of Default, (4) the adequacy, validity, enforceability, effectiveness or genuineness of this Agreement, any other Security Document or any other agreement, instrument or document, or the creation, perfection or priority of any Lien purported to be created by the Security Documents, (5) the value or the sufficiency of any Collateral for any Series of Obligations or (6) the satisfaction of any condition set forth in any Credit Document, other than to confirm receipt of items expressly required to be delivered to such Collateral Agent;

(vi) shall not be required to expend, advance or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in any of the Security Documents or in the exercise of any of its rights or powers hereunder or under any of the Security Documents unless it is indemnified to its satisfaction and the Collateral Agent shall have no liability to any person for any loss occasioned by any delay in taking or failure to take any such action while it is awaiting an indemnity satisfactory to it;

(vii) need not segregate money held in trust hereunder from other funds except to the extent required by law. No Collateral Agent shall be liable for interest on any money received by it hereunder except as otherwise agreed in writing; and

(viii) beyond the exercise of reasonable care in the custody thereof, no Collateral Agent shall have any duty as to any Collateral in its possession or control or in the possession or control of any agent or bailee or any income thereon or as to preservation of rights against prior parties or any other rights pertaining thereto, and no Collateral Agent shall be responsible for filing any financing or continuation statements or recording any documents or instruments in any public office at any time or times or otherwise perfecting or maintaining the perfection of any security interest in the Collateral. Each Collateral Agent shall be deemed to have exercised reasonable care in the custody of the Collateral in its possession if the Collateral is accorded treatment substantially equal to that which it accords similar collateral and shall not be liable or responsible for any loss or diminution in the value of any of the Collateral, by reason of the act or omission of any carrier, forwarding agency or other agent or bailee.

(b) Upon any payment or distribution of assets hereunder, the Collateral Agents and the Secured Parties shall be entitled to conclusively rely upon any order or decree entered by

any court of competent jurisdiction in which an Insolvency or Liquidation Proceeding is pending, or a certificate of the trustee in bankruptcy, liquidating trustee, custodian, receiver, assignee for the benefit of creditors, agent or other person making such payment or distribution in the Insolvency or Liquidation Proceeding, delivered to any Collateral Agent, for the purpose of ascertaining the persons entitled to participate in such payment or distribution, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto.

(c) In the event that, following a foreclosure in respect of any Collateral, the Applicable Collateral Agent acquires title to any portion of such Collateral or takes any managerial action of any kind in regard thereto in order to carry out any fiduciary or trust obligation for the benefit of another, which in the Applicable Collateral Agent's sole discretion may cause the Applicable Collateral Agent to be considered an "owner or operator" under the provisions of CERCLA or otherwise cause the Applicable Collateral Agent to incur liability under CERCLA or any other Federal, state or local law, the Applicable Collateral Agent reserves the right, instead of taking such action, to either resign as the Applicable Collateral Agent or arrange for the transfer of the title or control of the asset to a court-appointed receiver.

(d) The rights and protections of the Collateral Agents set forth herein shall also be applicable to each Collateral Agent in its roles as Mortgage Collateral Agent, mortgagee, beneficiary, pledgee or any of its other roles (including as Collateral Agent) under the Security Documents.

SECTION 4.04. Reliance by Collateral Agents. Each Collateral Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. Each Collateral Agent also may rely upon any statement made to it orally or by telephone and reasonably believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. Each Collateral Agent may consult with legal counsel (who may be counsel for the Borrower, a Collateral Agent or counsel of its choice), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

SECTION 4.05. Delegation of Duties. Any Collateral Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Security Document by or through any one or more sub-agents, delegates or attorneys-in-fact appointed by such Collateral Agent and shall not be responsible for acts or omissions of any such sub-agents, delegates or attorneys-in-fact appointed by it with due care, including any person appointed as a Mortgage Collateral Agent. Any Collateral Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through its respective Affiliates. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Affiliates of any Collateral Agent and any such sub-agent.

It is the purpose of this Section that there shall be no violation of any law of any jurisdiction (including particularly the law of any sovereign state) denying or restricting the right

of the Applicable Collateral Agent to transact business or bring legal proceedings in such jurisdiction. It is recognized that in case of litigation under this Agreement, and in particular in case of the enforcement thereof on default, or in the case the Applicable Collateral Agent deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Applicable Collateral Agent or hold title to the properties, in trust, as herein granted or take any action which may be desirable or necessary in connection therewith, it may be necessary that the Applicable Collateral Agent appoint an individual or institution as a collateral agent or agent. The following provisions of this Section are adopted to these ends.

In the event that the Applicable Collateral Agent appoints an additional individual or institution as a collateral agent or agent, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Agreement to be exercised by or vested in or conveyed to the Applicable Collateral Agent with respect thereto shall be exercisable by and vest in such separate collateral agent or agent but only to the extent necessary to enable such collateral agent or agent to exercise such powers, rights and remedies.

SECTION 4.06. Non-Reliance on Collateral Agent and other Secured Parties. Each Secured Party acknowledges that it has not relied upon any Collateral Agent or any other Secured Party or any of their Affiliates in making any credit analysis and decision to enter into this Agreement and the other Credit Documents. Each Secured Party also acknowledges that in the future it will not rely upon any Collateral Agent or any other Secured Party or any of their Affiliates in making any decisions in taking or not taking action under or based upon this Agreement, any other Credit Document or any related agreement or any document furnished hereunder or thereunder.

ARTICLE V

Miscellaneous

SECTION 5.01. Notices. All notices and other communications provided for herein (including, but not limited to, all the directions and instructions to be provided to the Applicable Collateral Agent herein by the Secured Parties) shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by fax, as follows:

(a) if to the Notes Collateral Agent, to it at WILMINGTON SAVINGS FUND SOCIETY, FSB, 500 Delaware Avenue, 11th Floor, Wilmington, Delaware 19801, Attention: Global Capital Markets – Life Time (Telephone No. (302) 888-7580; Email: GLewis@wsfsbank.com;

(b) if to the Bank Collateral Agent or the Mortgage Collateral Agent, to it at Deutsche Bank AG New York Branch, 5022 Gate Parkway, Suite 200, Jacksonville, FL 32256; Attn: Elizabeth Towle; Phone: (904)645-4329; Email: na.agencyservicing@db.com, CC to: elizabeth.towle@db.com

(c) if to any Additional Agent, to it at the address set forth in the applicable Joinder; and

(d) if to any of the Grantors, to Life Time, Inc., 2902 Corporate Place, Chanhassen, MN, 55317, Attn: Tom Bergmann, E-mail: TBergmann@lt.life.

Any party hereto may change its address or fax number for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given when delivered in person or by courier service, upon receipt of a telecopy or upon receipt via U.S. mail (registered or certified, with postage prepaid and properly addressed) to such party as provided in this Section 5.01 or in accordance with the latest unrevoked direction from such party given in accordance with this Section 5.01. As agreed to in writing among each Collateral Agent from time to time, notices and other communications may also be delivered by e-mail to the e-mail address of a representative of the applicable Person provided from time to time by such Person and shall be deemed to be given on the date of receipt.

SECTION 5.02. Waivers; Amendment.

(a) No failure or delay on the part of any party hereto in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the parties hereto are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by any party therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice or demand on any party hereto in any case shall entitle such party to any other or further notice or demand in similar or other circumstances.

(b) This Agreement or any provision hereof may be terminated, waived, amended or modified (other than pursuant to any Joinder) only pursuant to an agreement or agreements in writing entered into by each Collateral Agent. Notwithstanding the foregoing no provision of this Agreement may be terminated, waived, amended or modified without the prior written consent of the Borrower if such termination, waiver, amendment or modification would adversely affect any Grantor. Notwithstanding the foregoing, without the consent of any Secured Party or any other Collateral Agent, (i) the Collateral Agent for any Additional Obligations may become a party hereto in accordance with Section 5.02(c), (ii) any Subsidiary of the Borrower may become a party hereto in accordance with Section 5.16 and (iii) the Applicable Collateral Agent may effect amendments and modifications to this Agreement (which may be in the form of an amendment and restatement) to the extent the Applicable Collateral Agent reasonably deems necessary to incorporate Additional Obligations into this Agreement.

(c) So long as permitted by the Credit Documents then in effect, the Borrower may from time to time designate Indebtedness and other obligations as Additional Obligations hereunder by delivering to the Applicable Collateral Agent and each Collateral Agent (i) a

certificate signed by a Responsible Officer of the Borrower (A) identifying the Indebtedness and other obligations so designated and the aggregate principal amount or face amount thereof, or in the case of any revolving commitments, the maximum amounts thereof, (B) stating that such Indebtedness and other obligations are designated as Additional Obligations for purposes hereof, (C) representing that such designation of such Indebtedness and other obligations as Additional Obligations complies with the terms of the Credit Documents then outstanding and that, after giving effect to the designation of such Additional Obligations, such Additional Obligations and the holders thereof shall be subject to and bound by this Agreement and (D) specifying the name and address of the Collateral Agent for such Indebtedness and other obligations and (ii) a fully executed Joinder (substantially in the form attached as Annex A). Each Collateral Agent agrees that upon the satisfaction of all conditions set forth in the preceding sentence, the Collateral Agent identified in such Joinder shall act hereunder for the benefit of all Additional Secured Parties under such Joinder, and each Collateral Agent agrees to the appointment, and acceptance of the appointment, of the Applicable Collateral Agent as agent for the holders of such Additional Obligations as set forth in each Joinder and agrees, on behalf of itself and each Secured Party it represents, to be bound by this Agreement.

SECTION 5.03. Parties in Interest. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, as well as the other Secured Parties, all of whom are intended to be bound by, and to be third party beneficiaries of, this Agreement.

SECTION 5.04. Survival of Agreement. All covenants, agreements, representations and warranties made by any party in this Agreement shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement.

SECTION 5.05. Obligations Absolute. Except as otherwise provided herein (including Section 1.01(b)), the Lien priorities provided for herein and the respective rights, interests, agreements and obligations hereunder of the Collateral Agent and the other Secured Parties shall remain in full force and effect irrespective of:

(a) any lack of validity or enforceability of any Credit Document;

(b) any change in the time, place or manner of payment of, or in any other term of (including the Refinancing of), all or any portion of the Obligations, it being specifically acknowledged that a portion of the Obligations consists or may consist of Indebtedness that is revolving in nature, and the amount thereof that may be outstanding at any time or from time to time may be increased or reduced and subsequently reborrowed;

(c) any change in the time, place or manner of payment of, or in any other term of, all or any portion of the Obligations;

(d) any amendment, waiver or other modification, whether by course of conduct or otherwise, of any Credit Document;

(e) the securing of any Obligations with any additional collateral or guarantees, or any exchange, release, voiding, avoidance or non-perfection of any security interest in any Collateral or any other collateral or any release of any guarantee securing any Obligations; or

(f) any other circumstances that otherwise might constitute a defense available to, or a discharge of, any Grantor in respect of the Obligations or this Agreement, other than discharge in full of such Obligations.

SECTION 5.06. Counterparts. This Agreement may be executed in counterparts, each of which shall constitute an original but all of which when taken together shall constitute a single contract. Delivery of an executed signature page to this Agreement by facsimile transmission, e-mail, telecopy or other electronic transmission (in "pdf", "tif" or similar format) shall be as effective as delivery of a manually signed counterpart of this Agreement. For all purposes of this Agreement and any document to be signed or delivered in connection with or pursuant to this Agreement, the words "execution," "signed," "signature," "delivery," and words of like import shall be deemed to include electronic signatures, deliveries or the keeping of records in electronic form, as the case may be, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery or the use of a paper-based recordkeeping system, as the case may be.

SECTION 5.07. Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction. The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 5.08. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of New York.

SECTION 5.09. Submission To Jurisdiction Waivers. Each of the parties hereto, on behalf of itself and the Secured Parties of the Series for whom it is acting, irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the Security Documents, or for recognition and enforcement of any judgment in respect thereof, to the exclusive jurisdiction of the courts of the State of New York in the Borough of Manhattan, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof;

(b) agrees that a final judgment in any such action or proceeding shall be conclusive and may be entered and enforced in other jurisdictions by suit on the judgment or in any other manner provided or permitted by law;

(c) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or

proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same and any right to which it may be entitled on account of place of residence or domicile;

(d) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail but in no event by facsimile or electronic mail), postage prepaid, to such Person (or its Collateral Agent) at the address referred to in Section 5.01 or at such other address of which the other parties hereto shall have been notified pursuant thereto;

(e) agrees that nothing herein shall affect the right of any other party hereto (or any Secured Party) to effect service of process in any other manner permitted by law or shall limit the right of any party hereto (or any Secured Party) to sue in any other jurisdiction; and

(f) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section 5.09 any special, exemplary, punitive or consequential damages.

SECTION 5.10. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT AND FOR ANY COUNTERCLAIM THEREIN. EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 5.10.

SECTION 5.11. Headings. Article, Section and Annex headings used herein are for convenience of reference only, are not part of this Agreement and are not to affect the construction of, or to be taken into consideration in interpreting, this Agreement.

SECTION 5.12. Conflicts. In the event of any conflict or inconsistency between the provisions of this Agreement and the provisions of any of the other Credit Documents or Security Documents, the provisions of this Agreement shall control.

SECTION 5.13. Provisions Solely to Define Relative Rights. The provisions of this Agreement are and are intended solely for the purpose of defining the relative rights of the Secured Parties in relation to one another. None of the Borrower, any other Grantor or any other creditor thereof shall have any rights or obligations hereunder, except as expressly provided in this Agreement (provided that nothing in this Agreement (other than Section 2.04, 2.05, 2.08, 2.10 or Article V) is intended to or will amend, waive or otherwise modify the provisions of the Credit Documents), and none of the Borrower or any other Grantor may rely on the terms hereof (other than Section 2.04, 2.05, 2.08, 2.10 and Article V, which provision may be relied upon and enforced

by the Borrower and each Guarantor). Nothing in this Agreement is intended to or shall impair the obligations of any Grantor, which are absolute and unconditional, to pay the Obligations as and when the same shall become due and payable in accordance with their terms.

SECTION 5.14. Collateral Agents. It is understood and agreed that (a) Deutsche Bank AG New York Branch, is entering into this Agreement in its capacity as collateral agent under the Credit Agreement, and the provisions of Article IX of the Credit Agreement applicable to Deutsche Bank AG New York Branch, as collateral agent thereunder shall also apply to Deutsche Bank AG New York Branch, as Bank Collateral Agent hereunder, and (b) WILMINGTON SAVINGS FUND SOCIETY, FSB is entering into this Agreement in its capacity as Collateral Agent pursuant to the Indenture and the Notes Security Agreement and, as such is entitled to all rights, privileges, protections, benefits, immunities and indemnities provided in the Indenture and the Notes Security Agreement.

SECTION 5.15. Integration. This Agreement together with the other Credit Documents and the Security Documents represents the entire agreement of each of the Grantors and the Secured Parties with respect to the subject matter hereof and there are no promises, undertakings, representations or warranties by any Grantor, the Collateral Agent or any other Secured Party relative to the subject matter hereof not expressly set forth or referred to herein or in the other Credit Documents or the Security Documents.

SECTION 5.16. Additional Grantors. In the event any Subsidiary shall have granted a Lien on any of its assets to secure any Obligations, the Borrower shall cause such Subsidiary, if not already a party hereto, to become a party hereto as a "Grantor." Upon the execution and delivery by any Subsidiary of a Grantor Joinder (substantially in the form attached as Annex B), any such Subsidiary shall become a party hereto and a Grantor hereunder with the same force and effect as if originally named as such herein. The execution and delivery of any such instrument shall not require the consent of any other party hereto. The rights and obligations of each party hereto shall remain in full force and effect notwithstanding the addition of any new Grantor as a party to this Agreement.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

DEUTSCHE BANK AG NEW YORK BRANCH,
as Bank Collateral Agent

By: _____
Name:
Title:

[Signature Page to Intercreditor Agreement]

WILMINGTON SAVINGS FUND SOCIETY, FSB, as
Notes Collateral Agent

By: _____
Name:
Title:

[Signature Page to Intercreditor Agreement]

LIFE TIME, INC., as Borrower

By: _____
Name:
Title:

LTF INTERMEDIATE HOLDINGS, INC., as Holdings,

By: _____
Name:
Title:

LTF CLUB OPERATIONS COMPANY, INC., as Grantor,

By: _____
Name:
Title:

LTF OPERATIONS HOLDINGS, INC., as Grantor,

By: _____
Name:
Title:

LTF MANAGEMENT SERVICES, LLC, as Grantor,

By: _____
Name:
Title:

LTF CONSTRUCTION COMPANY, LLC, as Grantor,

By: _____
Name:
Title:

LTF RESTAURANT COMPANY, LLC, as Grantor,

By: _____
Name:
Title:

LTF CLUB MANAGEMENT COMPANY, LLC, as Grantor,

By: _____
Name:
Title:

LTF TRIATHLON SERIES, LLC, as Grantor,

By: _____
Name:
Title:

ATHLINKS INC., as Grantor,

By: _____
Name:
Title:

LTF ARCHITECTURE, LLC, as Grantor,

By: _____
Name:
Title:

LTF LEASE COMPANY, LLC, as Grantor,

By: _____
Name:
Title:

LTF REAL ESTATE HOLDINGS, LLC, as Grantor,

By: _____
Name:
Title:

LTF REAL ESTATE COMPANY, INC, as Grantor,

By: _____
Name:
Title:

LTF EDUCATIONAL PROGRAMS, LLC, as Grantor,

By: _____
Name:
Title:

LTF GROUND LEASE COMPANY, LLC, as Grantor,

By: _____
Name:
Title:

[Signature Page to Intercreditor Agreement]

Annex A

To: Each Collateral Agent under the First Lien Intercreditor Agreement (in each case, as such terms are defined below)

JOINDER (this "Joinder") dated as of [.], 202[.] to the First Lien Intercreditor Agreement, dated as of January 22, 2021 (as amended or supplemented from time to time, the "First Lien Intercreditor Agreement"), among [APPLICABLE COLLATERAL AGENT], each Grantor party hereto and each Additional Agent (as defined below) from time to time party hereto for the Additional Secured Parties of the Series (as defined below) with respect to which it is acting in such capacity.

A. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the First Lien Intercreditor Agreement.

B. The Bank Collateral Agent, the Notes Collateral Agent, the Grantors from time to time party thereto and each Additional Agent from time to time party thereto have entered into the First Lien Intercreditor Agreement and pursuant to [Section 5.02(c) of the First Lien Intercreditor Agreement in order to create a Series of Additional Obligations] [Section 2.08 of the First Lien Intercreditor Agreement with respect to Refinancing indebtedness], the undersigned Additional Agent (the "New Agent") is executing this Joinder as an Additional Agent on behalf of the Series of Secured Parties it represents [with respect to such Additional Obligations] [holding such Refinancing indebtedness] under the First Lien Intercreditor Agreement.

C. Pursuant to the terms of the First Lien Intercreditor Agreement, [the Grantors have entered into an Additional Agreement under which the Grantors have incurred Additional Obligations. [Describe material terms of Additional Obligations.]] [the Obligations of [describe Series] are being refinanced with Refinancing indebtedness. [Describe material terms of Refinancing indebtedness.]]

D. In consideration of the mutual agreements contained in the First Lien Intercreditor Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the New Agent, on behalf of the Series of Secured Parties it represents, hereby agrees as follows.

SECTION 1. In accordance with the First Lien Intercreditor Agreement, (a) the New Agent by its signature below becomes a Collateral Agent under, and the related [Series of Additional Obligations and Additional Secured Parties] [Series of Obligations with respect to the Refinancing indebtedness and Refinancing indebtedness Secured Parties] become subject to and bound by, the First Lien Intercreditor Agreement with the same force and effect as if originally named therein as a Collateral Agent, and (b) the New Agent, on its behalf and on behalf of such [Additional Secured Parties] [Refinancing indebtedness Secured Parties] hereby agree to all the terms and provisions of the First Lien Intercreditor Agreement applicable to it as a Collateral Agent thereunder. Each reference to a "Collateral Agent" in the First Lien Intercreditor Agreement shall be deemed to include the New Agent. The First Lien Intercreditor Agreement is hereby incorporated herein by reference.

SECTION 2. The New Agent represents and warrants to each Collateral Agent and the Secured Parties that (a) it has full power and authority to enter into this Joinder, in its capacity as [agent] [trustee], (b) this Joinder has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting the enforcement of creditors' rights generally (regardless of whether enforcement is considered in a proceeding at law or in equity) and subject to general principles of equity and (c) the Credit Documents relating to such [Additional Obligations] [Refinancing indebtedness] provide that, upon the New Agent's entry into this Joinder, the [holders] [lenders] of such [Additional Obligations] [Refinancing indebtedness] will be subject to and bound by the provisions of the First Lien Intercreditor Agreement as Additional Secured Parties.

SECTION 3. This Joinder shall become effective when the Applicable Collateral Agent shall have received (and delivers to all other Collateral Agents) a counterpart of this Joinder that bears the signature of the New Agent. Delivery of an executed signature page to this Joinder by facsimile transmission or e-mail shall be effective as delivery of a manually signed counterpart of this Joinder.

SECTION 4. Except as expressly supplemented hereby, the First Lien Intercreditor Agreement shall remain in full force and effect.

SECTION 5. **THIS JOINDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.**

SECTION 6. Any provision of this Joinder held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction. The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 7. All communications and notices hereunder and under the First Lien Intercreditor Agreement to the New Agent shall be given to it at its address set forth below, or to such other address as such New Agent may hereafter specify.

SECTION 8. The New Agent agrees to reimburse the Applicable Collateral Agent for its reasonableout-of-pocket expenses in connection with this Joinder, including the fees, other charges and disbursements of counsel for the Applicable Collateral Agent.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the New Agent has duly executed this Joinder to the First Lien Intercreditor Agreement as of the day and year first above written.

[NAME OF NEW AGENT],
as New Agent

By: _____
Name:
Title:

Address for Notices:
[ ]

with a copy to:
[ ]

Acknowledged by:

[APPLICABLE COLLATERAL AGENT],
as Applicable Collateral Agent

By: _____
Name:
Title:

Annex B

To: Each Collateral Agent under the First Lien Intercreditor Agreement (in each case, as such terms are defined below)

GRANTOR JOINDER (this "Joinder") dated as of [.], 202[.] to the First Lien Intercreditor Agreement, dated as of January 22, 2021 (as amended or supplemented from time to time, the "First Lien Intercreditor Agreement"), among [APPLICABLE COLLATERAL AGENT], each Grantor party hereto and each Additional Agent (as defined below) from time to time party hereto for the Additional Secured Parties of the Series (as defined below) with respect to which it is acting in such capacity.

A. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the First Lien Intercreditor Agreement.

B. The Bank Collateral Agent, the Notes Collateral Agent, the Grantors from time to time party thereto and each Additional Agent from time to time party thereto have entered into the First Lien Intercreditor Agreement and pursuant to Section 5.16 of the First Lien Intercreditor Agreement, the undersigned Subsidiary of the Borrower (the "New Grantor") is executing this Joinder in accordance with the requirements under the First Lien Intercreditor Agreement.

C. In consideration of the mutual agreements contained in the First Lien Intercreditor Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the New Grantor hereby agrees as follows.

SECTION 1. In accordance with Section 5.16 of the First Lien Intercreditor Agreement, (a) the New Grantor by its signature below becomes a Grantor under the First Lien Intercreditor Agreement with the same force and effect as if originally named therein as Grantor, and (b) the New Grantor hereby agree to all the terms and provisions of the First Lien Intercreditor Agreement applicable to it as a Grantor thereunder. Each reference to a "Grantor" in the First Lien Intercreditor Agreement shall be deemed to include the New Grantor. The First Lien Intercreditor Agreement is hereby incorporated herein by reference.

SECTION 2. The New Grantor represents and warrants to each Collateral Agent and the Secured Parties that (a) it has full power and authority to enter into this Joinder and (b) this Joinder has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting the enforcement of creditors' rights generally (regardless of whether enforcement is considered in a proceeding at law or in equity) and subject to general principles of equity.

SECTION 3. This Joinder shall become effective when the Applicable Collateral Agent shall have received (and delivers to all other Collateral Agents) a counterpart of this Joinder that bears the signatures of the New Grantor. Delivery of an executed signature page to this Joinder by facsimile transmission or e-mail shall be effective as delivery of a manually signed counterpart of this Joinder.

SECTION 4. Except as expressly supplemented hereby, the First Lien Intercreditor Agreement shall remain in full force and effect.

SECTION 5. **THIS JOINDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.**

SECTION 6. Any provision of this Joinder held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction. The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 7. All communications and notices hereunder and under the First Lien Intercreditor Agreement to the New Grantor shall be given to it as specified in Section 5.01 of the First Lien Intercreditor Agreement.

SECTION 8. The New Grantor agrees to reimburse the Applicable Collateral Agent for its reasonable out-of-pocket expenses in connection with this Joinder, including the fees, other charges and disbursements of counsel for the Applicable Collateral Agent.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the New Grantor has duly executed this Joinder to the First Lien Intercreditor Agreement as of the day and year first above written.

[NAME OF NEW GRANTOR],
as New Grantor

By: _____
Name:
Title:

Acknowledged by:

[APPLICABLE COLLATERAL AGENT],
as Applicable Collateral Agent

By: _____
Name:
Title:

THE EXECUTIVE NONQUALIFIED EXCESS PLAN

PLAN DOCUMENT

THE EXECUTIVE NONQUALIFIED EXCESS PLAN

Section 1. Purpose:

By execution of the Adoption Agreement, the Employer has adopted the Plan set forth herein, and in the Adoption Agreement, to provide a means by which certain management Employees or Independent Contractors of the Employer may elect to defer receipt of current Compensation from the Employer in order to provide retirement and other benefits on behalf of such Employees or Independent Contractors of the Employer, as selected in the Adoption Agreement. The Plan is intended to be a nonqualified deferred compensation plan that complies with the provisions of Section 409A of the Internal Revenue Code (the "**Code**"). The Plan is also intended to be an unfunded plan maintained primarily for the purpose of providing deferred compensation benefits for a select group of management or highly compensated employees under Sections 201(2), 301(a)(3) and 401(a)(1) of the Employee Retirement Income Security Act of 1974 ("**ERISA**") and independent contractors. Notwithstanding any other provision of this Plan, this Plan shall be interpreted, operated and administered in a manner consistent with these intentions.

Section 2. Definitions:

As used in the Plan, including this Section 2, references to one gender shall include the other, unless otherwise indicated by the context:

2.1. "Active Participant" means, with respect to any day or date, a Participant who is in Service on such day or date; provided, that a Participant shall cease to be an Active Participant (i) immediately upon a determination by the Committee that the Participant has ceased to be an Employee or Independent Contractor, or (ii) at the end of the Plan Year that the Committee determines the Participant no longer meets the eligibility requirements of the Plan.

2.2. "Adoption Agreement" means the written agreement pursuant to which the Employer adopts the Plan. The Adoption Agreement is a part of the Plan as applied to the Employer.

2.3. "Beneficiary" means the person, persons, entity or entities designated or determined pursuant to the provisions of Section 13 of the Plan.

2.4. "Board" means the Board of Directors of the Company, if the Company is a corporation. If the Company is not a corporation, "Board" shall mean the Company.

2.5. "Change in Control Event" means an event described in Section 409A(a)(2)(A)(v) of the Code (or any successor provision thereto) and the regulations thereunder.

2.6. "Committee" means the persons or entity designated in the Adoption Agreement to administer the Plan. If the Committee designated in the Adoption Agreement is unable to serve, the Employer shall satisfy the duties of the Committee provided for in Section 9.

2.7. "Company" means the company designated in the Adoption Agreement as such.

2.8. "Compensation" shall have the meaning designated in the Adoption Agreement.

2.9. "Crediting Date" means the date designated in the Adoption Agreement for crediting the amount of any Participant Deferral Credits or Employer Credits to the Deferred Compensation Account of a Participant.

2.10. "Deferred Compensation Account" means the account maintained with respect to each Participant under the Plan. The Deferred Compensation Account shall be credited with Participant Deferral Credits and Employer Credits, credited or debited for deemed investment gains or losses, and adjusted for payments in accordance with the rales and elections in effect under Section 8. The Deferred Compensation Account of a Participant shall include any In-Service or Education Account of the Participant, if applicable.

2.11. "Disabled" means Disabled within the meaning of Section 409A of the Code and the regulations thereunder. Generally, this means that the Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, or is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than three months under an accident and health plan covering Employees of the Employer.

2.12. "Education Account" is an In-Service Account which will be used by the Participant for educational purposes.

2.13. "Effective Date" shall be the date designated in the Adoption Agreement.

2.14. "Employee" means an individual in the Service of the Employer if the relationship between the individual and the Employer is the legal relationship of employer and employee. An individual shall cease to be an Employee upon the Employee's separation from Service.

2.15. "Employer" means the Company, as identified in the Adoption Agreement, and any Participating Employer which adopts this Plan. An Employer may be a corporation, a limited liability company, a partnership or sole proprietorship.

2.16. "Employer Credits" means the amounts credited to the Participant's Deferred Compensation Account by the Employer pursuant to the provisions of Section 4.2.

2.17. "Grandfathered Amounts" means, if applicable, the amounts that were deferred under the Plan and were earned and vested within the meaning of Section 409A of the Code and regulations thereunder as of December 31, 2004. Grandfathered Amounts shall be subject to the terms designated in the Adoption Agreement.

2.18. "Independent Contractor" means an individual in the Service of the Employer if the relationship between the individual and the Employer is not the legal relationship of employer and employee. An individual shall cease to be an Independent Contractor upon the termination of the Independent Contractor's Service. An Independent Contractor shall include a director of the Employer who is not an Employee.

2.19. "In-Service Account" means a separate account to be kept for each Participant that has elected to take in-Service distributions as described in Section 5.4. The In-Service Account shall be adjusted in the same manner and at the same time as the Deferred Compensation Account under Section 8 and in accordance with the rules and elections in effect under Section 8.

2.20. "Normal Retirement Age" of a Participant means the age designated in the Adoption Agreement.

2.21. "Participant" means with respect to any Plan Year an Employee or Independent Contractor who has been designated by the Committee as a Participant and who has entered the Plan or who has a Deferred Compensation Account under the Plan; provided that if the Participant is an Employee, the individual must be a highly compensated or management employee of the Employer within the meaning of Sections 201(2), 301(a)(3) and 401(a)(1) of ERISA.

2.22. "Participant Deferral Credits" means the amounts credited to the Participant's Deferred Compensation Account by the Employer pursuant to the provisions of Section 4.1.

2.23. "Participating Employer" means any trade or business (whether or not incorporated) which adopts this Plan with the consent of the Company identified in the Adoption Agreement.

2.24. "Participation Agreement" means a written agreement entered into between a Participant and the Employer pursuant to the provisions of Section 4.1

2.25. "Performance-Based Compensation" means compensation where the amount of, or entitlement to, the compensation is contingent on the satisfaction of preestablished organizational or individual performance criteria relating to a performance period of at least twelve months. Organizational or individual performance criteria are considered preestablished if

established in writing within 90 days after the commencement of the period of service to which the criteria relates, provided that the outcome is substantially uncertain at the time the criteria are established. Performance-based compensation may include payments based upon subjective performance criteria as provided in regulations and administrative guidance promulgated under Section 409A of the Code.

2.26. "Plan" means The Executive Nonqualified Excess Plan, as herein set out and as set out in the Adoption Agreement, or as duly amended. The name of the Plan as applied to the Employer shall be designated in the Adoption Agreement.

2.27. "Plan-Approved Domestic Relations Order" shall mean a judgment, decree, or order (including the approval of a settlement agreement) which is:

2.27.1. Issued pursuant to a State's domestic relations law;

2.27.2. Relates to the provision of child support, alimony payments or marital property rights to a Spouse, former Spouse, child or other dependent of the Participant;

2.27.3. Creates or recognizes the right of a Spouse, former Spouse, child or other dependent of the Participant to receive all or a portion of the Participant's benefits under the Plan;

2.27.4. Requires payment to such person of their interest in the Participant's benefits in a lump sum payment at a specific time; and

2.27.5. Meets such other requirements established by the Committee.

2.28. "Plan Year" means the twelve-month period ending on the last day of the month designated in the Adoption Agreement; provided that the initial Plan Year may have fewer than twelve months.

2.29. "Qualifying Distribution Event" means (i) the Separation from Service of the Participant, (ii) the date the Participant becomes Disabled, (iii) the death of the Participant, (iv) the time specified by the Participant for an In-Service or Education Distribution, (v) a Change in Control Event, or (vi) an Unforeseeable Emergency, each to the extent provided in Section 5.

2.30. "Seniority Date" shall have the meaning designated in the Adoption Agreement.

2.31. "Separation from Service" or "**Separates from Service**" means a "separation from service" within the meaning of Section 409A of the Code.

2.32. "Service" means employment by the Employer as an Employee. For purposes of the Plan, the employment relationship is treated as continuing intact while the Employee is on military leave, sick leave, or other bona fide leave of absence if the period of such leave does not exceed six months, or if longer, so long as the Employee's right to reemployment is provided either by statute or contract. If the Participant is an Independent Contractor, "**Service**" shall mean the period during which the contractual relationship exists between the Employer and the Participant. The contractual relationship is not terminated if the Participant anticipates a renewal of the contract or becomes an Employee.

2.33. "Service Bonus" means any bonus paid to a Participant by the Employer which is notPerformance-Based Compensation.

2.34. "Specified Employee" means an employee who meets the requirements for key employee treatment under Section 416(i)(l)(A)(i), (ii) or (iii) of the Code (applied in accordance with the regulations thereunder and without regard to Section 416(i)(5) of the Code) at any time during the twelve month period ending on December 31 of each year (the "identification date"). Unless binding corporate action is taken to establish different rules for determining Specified Employees for all plans of the Company and its controlled group members that are subject to Section 409A of the Code, the foregoing rules and the other default rules under the regulations of Section 409A of the Code shall apply. If the person is a key employee as of any identification date, the person is treated as a Specified Employee for the twelve-month period beginning on the first day of the fourth month following the identification date.

2.35. "Spouse" or "Surviving Spouse" means, except as otherwise provided in the Plan, a person who is the legally married spouse or surviving spouse of a Participant.

2.36. "Unforeseeable Emergency" means an "unforeseeable emergency" within the meaning of Section 409A of the Code.

2.37. "Years of Service" means each Plan Year of Service completed by the Participant. For vesting purposes, Years of Service shall be calculated from the date designated in the Adoption Agreement and Service shall be based on service with the Company and all Participating Employers.

Section 3. Participation:

The Committee in its discretion shall designate each Employee or Independent Contractor who is eligible to participate in the Plan. A Participant who separates from Service with the Employer and who later returns to Service will not be an Active Participant under the Plan except upon satisfaction of such terms and conditions as the Committee shall establish upon the Participant's return to Service, whether or not the Participant shall have a balance remaining in the Deferred Compensation Account under the Plan on the date of the return to Service.

Section 4. Credits to Deferred Compensation Account:

4.1. Participant Deferral Credits. To the extent provided in the Adoption Agreement, each Active Participant may elect, by entering into a Participation Agreement with the Employer, to defer the receipt of Compensation from the Employer by a dollar amount or percentage specified in the Participation Agreement. The amount of Compensation the Participant elects to defer, the Participant Deferral Credit, shall be credited by the Employer to the Deferred Compensation Account maintained for the Participant pursuant to Section 8. The following special provisions shall apply with respect to the Participant Deferral Credits of a Participant:

4.1.1. The Employer shall credit to the Participant's Deferred Compensation Account on each Crediting Date an amount equal to the total Participant Deferral Credit for the period ending on such Crediting Date.

4.1.2. An election pursuant to this Section 4.1 shall be made by the Participant by executing and delivering a Participation Agreement to the Committee. Except as otherwise provided in this Section 4.1, the Participation Agreement shall become effective with respect to such Participant as of the first day of January following the date such Participation Agreement is

received by the Committee. A Participant's election may be changed at any time prior to the last permissible date for making the election as permitted in this Section 4.1, and shall thereafter be irrevocable. The election of a Participant shall continue in effect for subsequent years until modified by the Participant as permitted in this Section 4.1.

4.1.3. A Participant may execute and deliver a Participation Agreement to the Committee within 30 days after the date the Participant first becomes eligible to participate in the Plan to be effective as of the first payroll period next following the date the Participation Agreement is fully executed by the Participant. Whether a Participant is treated as newly eligible for participation under this Section shall be determined in accordance with Section 409A of the Code and the regulations thereunder, including (i) rules that treat all elective deferral account balance plans as one plan, and (ii) rules that treat a previously eligible employee as newly eligible if his benefits had been previously distributed or if he has been ineligible for 24 months. For Compensation that is earned based upon a specified performance period (for example, an annual bonus), where a deferral election is made under this Section but after the beginning of the performance period, the election will only apply to the portion of the Compensation equal to the total amount of the Compensation for the service period multiplied by the ratio of the number of days remaining in the performance period after the election over the total number of days in the performance period.

4.1.4. A Participant may unilaterally modify a Participation Agreement (either to terminate, increase or decrease the portion of his future Compensation which is subject to deferral within the percentage limits set forth in Section 4.1 of the Adoption Agreement) by providing a written modification of the Participation Agreement to the Committee. The modification shall become effective as of the first day of January following the date such written modification is received by the Committee.

4.1.5. If the Participant performed services continuously from the later of the beginning of the performance period or the date upon which the performance criteria are established through the date upon which the Participant makes an initial deferral election, a Participation Agreement relating to the deferral of Performance-Based Compensation may be executed and delivered to the Committee no later than the date which is 6 months prior to the end of the performance period, provided that in no event may an election to defer Performance-Based Compensation be made after such Compensation has become readily ascertainable.

4.1.6. If the Employer has a fiscal year other than the calendar year, Compensation relating to Service in the fiscal year of the Employer (such as a bonus based on the fiscal year of the Employer), of which no amount is paid or payable during the fiscal year, may be deferred at the Participant's election if the election to defer is made not later than the close of the Employer's fiscal year next preceding the first fiscal year in which the Participant performs any services for which such Compensation is payable.

4.1.7. Compensation payable after the last day of the Participant's taxable year solely for services provided during the final payroll period containing the last day of the Participant's taxable year (i.e., December 31) is treated for purposes of this Section 4.1 as Compensation for services performed in the subsequent taxable year.

4.1.8. The Committee may from time to time establish policies or rules consistent with the requirements of Section 409A of the Code to govern the manner in which Participant Deferral Credits may be made.

If a Participant becomes Disabled, or applies for and is eligible for a distribution on account of an Unforeseeable Emergency during a Plan Year or as required due to a hardship distribution under Section 1.40 l(k)-1(d)(3) of the Code, his deferral election for such Plan Year shall be cancelled.

4.2. Employer Credits. If designated by the Employer in the Adoption Agreement, the Employer shall cause the Committee to credit to the Deferred Compensation Account of each Active Participant an Employer Credit as determined in accordance with the Adoption Agreement. A Participant must make distribution elections with respect to any Employer Credits credited to his Deferred Compensation Account by the deadline that would apply under Section 4.1 for distribution elections with respect to Participant Deferral Credits credited at the same time, on a Participation Agreement that is timely executed and delivered to the Committee pursuant to Section 4.1.

4.3. Deferred Compensation Account. All Participant Deferral Credits and Employer Credits shall be credited to the Deferred Compensation Account of the Participant as provided in Section 8.

Section 5. Qualifying Distribution Events:

5.1. Separation from Service. If the Participant Separates from Service with the Employer, the vested balance in the Deferred Compensation Account shall be paid to the Participant by the Employer as provided in Section 7. Notwithstanding the foregoing, no distribution shall be made earlier than six months after the date of Separation from Service (or, if earlier, the date of death) with respect to a Participant who as of the date of Separation from Service is a Specified Employee of a corporation the stock in which is traded on an established

securities market or otherwise. Any payments to which such Specified Employee would be entitled during the first six months following the date of Separation from Service shall be accumulated and paid on the first day of the seventh month following the date of Separation from Service.

5.2. Disability. If the Employer designates in the Adoption Agreement that distributions are permitted under the Plan when a Participant becomes Disabled, and the Participant becomes Disabled while in Service, the vested balance in the Deferred Compensation Account shall be paid to the Participant by the Employer as provided in Section 7.

5.3. Death. If the Participant dies while in Service, the Employer shall pay a benefit to tire Participant's Beneficiary in the amount designated in the Adoption Agreement. Payment of such benefit shall be made by the Employer as provided in Section 7.

5.4. In-Service or Education Distributions. If the Employer designates in the Adoption Agreement thatin-service or education distributions are permitted under the Plan, a Participant may designate in the Participation Agreement to have a specified amount credited to the Participant's In-Service or Education Account for in-service or education distributions at the date specified by the Participant. In no event may anin-service or education distribution of an amount be made before the date that is two years after the first day of the year in which such amount was credited to the In-Service or Education Account. Notwithstanding the foregoing, if a Participant incurs a Qualifying Distribution Event prior to the date on which the entire balance in the In-Service or Education Account has been distributed, then the balance in theIn-Service or Education Account on the date of the Qualifying Distribution Event shall be paid as provided under Section 7.1 for payments on such Qualifying Distribution Event.

5.5. Change in Control Event. If the Employer designates in the Adoption Agreement that distributions are permitted under the Plan upon the occurrence of a Change in Control Event, the Participant may designate in the Participation Agreement to have the vested balance in the Deferred Compensation Account paid to the Participant upon a Change in Control Event by the Employer as provided in Section 7.

5.6. Unforeseeable Emergency. If the Employer designates in the Adoption Agreement that distributions are permitted under the Plan upon the occurrence of an Unforeseeable Emergency event, a distribution from the Deferred Compensation Account may be made to a Participant in the event of an Unforeseeable Emergency, subject to the following provisions:

5.6.1. A Participant may, at any time prior to his Separation from Service for any reason, make application to the Committee to receive a distribution in a lump sum of all or a portion of the vested balance in the Deferred Compensation Account (determined as of the date the distribution, if any, is made under this Section 5.6) because of an Unforeseeable Emergency. A distribution because of an Unforeseeable Emergency shall not exceed the amount required to satisfy the Unforeseeable Emergency plus amounts necessary to pay taxes reasonably anticipated as a result of such distribution, after taking into account the extent to which the Unforeseeable Emergency may be relieved through reimbursement or compensation by insurance or otherwise or by liquidation of the Participant's assets (to the extent the liquidation of such assets would not itself cause severe financial hardship) or by stopping current deferrals under the Plan pursuant to Section 4.1.9.

5.6.2. The Participant's request for a distribution on account of Unforeseeable Emergency must be made in writing to the Committee. The request must specify the nature of the financial hardship, the total amount requested to be distributed from the Deferred Compensation Account, and the total amount of the actual expense incurred or to be incurred on account of the Unforeseeable Emergency.

5.6.3. If a distribution under this Section 5.6 is approved by the Committee, such distribution will be made as soon as practicable following the date it is approved. The processing of the request shall be completed as soon as practicable from the date on which the Committee receives the properly completed written request for a distribution on account of an Unforeseeable Emergency. If a Participant's Separation from Service occurs after a request is approved in accordance with this Section 5.6.3, but prior to distribution of the full amount approved, the approval of the request shall be automatically null and void and the benefits which the Participant is entitled to receive under the Plan shall be distributed in accordance with the applicable distribution provisions of the Plan.

5.6.4. The Committee may from time to time adopt additional policies or rules consistent with the requirements of Section 409A of the Code to govern the manner in which such distributions may be made so that the Plan may be conveniently administered.

Section 6. Vesting:

A Participant shall be fully vested in the portion of his Deferred Compensation Account attributable to Participant Deferral Credits, and all income, gains and losses attributable thereto. A Participant shall become fully vested in the portion of his Deferred Compensation Account attributable to Employer Credits, and income, gains and losses attributable thereto, in accordance

with the vesting schedule and provisions designated by the Employer in the Adoption Agreement. If a Participant's Deferred Compensation Account is not fully vested upon Separation from Service, the portion of the Deferred Compensation Account that is not fully vested shall thereupon be forfeited.

Section 7. Distribution Rules:

7.1. Payment Options. The Employer shall designate in the Adoption Agreement the payment options which may be elected by the Participant (lump sum, annual installments, or a combination of both). Different payment options may be made available for each Qualifying Distribution Event, and different payment options may be available for different types of Separations from Service, all as designated in the Adoption Agreement. The Participant shall elect in the Participation Agreement the method under which the vested balance in the Deferred Compensation Account will be distributed from among the designated payment options. The Participant may at such time elect a different method of payment for each Qualifying Distribution Event as specified in the Adoption Agreement. If the Participant is permitted by the Employer in the Adoption Agreement to elect different payment options and does not make a valid election, the vested balance in the Deferred Compensation Account will be distributed as a lump sum.

Notwithstanding the foregoing, if certain Qualifying Distribution Events occur prior to the date on which the vested balance of a Participant's Deferred Compensation Account is completely paid pursuant to this Section 7.1 following the occurrence of certain initial Qualifying Distribution Events, the following rules apply:

7.1.1. If the initial Qualifying Distribution Event is a Separation from Service or Disability, and the Participant subsequently dies, the remaining unpaid vested balance of a Participant's Deferred Compensation Account shall be paid as a lump sum.

7.1.2. If the initial Qualifying Distribution Event is a Change in Control Event, and any subsequent Qualifying Distribution Event occurs (except an In-Service or Education Distribution described in Section 2.29(iv)), the remaining unpaid vested balance of a Participant's Deferred Compensation Account shall be paid as provided under Section 7.1 for payments on such subsequent Qualifying Distribution Event.

7.2. Timing of Payments. Payment shall be made in the manner elected **by** the Participant and shall commence as soon as practicable after (but no later than 60 days after) the distribution date elected for the Qualifying Distribution Event. In the event the Participant fails to make a valid election of the payment method, the distribution will be made in a single lump sum payment as soon as practicable after (but no later than 60 days after) the Qualifying Distribution Event. A payment may be further delayed to the extent permitted in accordance with regulations and guidance under Section 409A of the Code.

7.3. Installment Payments. If the Participant elects to receive installment payments upon a Qualifying Distribution Event, the payment of each annual installment shall be made on the anniversary of the date of the first installment payment, and the amount of the annual installment shall be adjusted on such anniversary for credits or debits to the Participants account pursuant to Section 8 of the Plan. Such adjustment shall be made by dividing the balance in the Deferred Compensation Account on such date by the number of annual installments remaining to be paid hereunder; provided that the last annual installment due under the Plan shall be the entire amount credited to the Participant's account on the date of payment.

7.4. De Minimis Amounts. Notwithstanding any payment election made by the Participant, if the Employer designates a pre-determined de minimis amount in the Adoption Agreement, the vested balance in the Deferred Compensation Account of the Participant will be distributed in a single lump sum payment if at the time of a permitted Qualifying Distribution Event the vested balance does not exceed such pre-determined de minimis amount; provided, however, that such distribution will be made only where the Qualifying Distribution Event is a Separation from Service, death, Disability (if applicable) or Change in Control Event (if applicable). Such payment shall be made on or before the later of (i) December 31 of the calendar year in which the Qualifying Distribution Event occurs, or (ii) the date that is 2-1/2 months after the Qualifying Distribution Event occurs. In addition, the Employer may distribute a Participant's vested balance at any time if the balance does not exceed the limit in Section 402(g)(1)(B) of the Code and results in the termination of the Participant's entire interest in the Plan as provided under Section 409A of the Code.

7.5. Subsequent Elections. With the consent of the Committee, a Participant may delay or change the method of payment of the Deferred Compensation Account subject to the following requirements:

7.5.1. The new election may not take effect until at least 12 months after the date on which the new election is made.

7.5.2. If the new election relates to a payment for a Qualifying Distribution Event other than the death of the Participant, the Participant becoming Disabled, or an Unforeseeable Emergency, the new election must provide for the deferral of the payment for a period of at least five years from the date such payment would otherwise have been made.

7.5.3. If the new election relates to a payment from the In-Service or Education Account, the new election must be made at least 12 months prior to the date of the first scheduled payment from such account.

For purposes of this Section 7.5 and Section 7.6, a payment is each separately identified amount to which the Participant is entitled under the Plan; provided, that entitlement to a series of installment payments is treated as the entitlement to a single payment.

7.6. Acceleration Prohibited. The acceleration of the time or schedule of any payment due under the Plan is prohibited except as expressly provided in regulations and administrative guidance promulgated under Section 409A of the Code (such as accelerations for domestic relations orders and employment taxes). It is not an acceleration of the time or schedule of payment if the Employer waives or accelerates the vesting requirements applicable to a benefit under the Plan.

Section 8. Accounts; Deemed Investment; Adjustments to Account:

8.1. Accounts. The Committee shall establish a book reserve account, entitled the "**Deferred Compensation Account,**" on behalf of each Participant. The Committee shall also establish an In-Service or Education Account as a part of the Deferred Compensation Account of each Participant, if applicable. The amount credited to the Deferred Compensation Account shall be adjusted pursuant to the provisions of Section 8.3.

8.2. Deemed Investments. The Deferred Compensation Account of a Participant shall be credited with an investment return determined as if the account were invested in one or more investment funds made available by the Committee. The Participant shall elect the investment funds in which his Deferred Compensation Account shall be deemed to be invested. Such election shall be made in the manner prescribed by the Committee and shall take effect upon the entry of the Participant into the Plan. The investment election of the Participant shall remain in effect until a new election is made by the Participant. In the event the Participant fails for any reason to make an effective election of the investment return to be credited to his account, the investment return shall be determined by the Committee.

8.3. Adjustments to Deferred Compensation Account. With respect to each Participant who has a Deferred Compensation Account under the Plan, the amount credited to such account shall be adjusted by the following debits and credits, at the times and in the order stated:

8.3.1. The Deferred Compensation Account shall be debited each business day with the total amount of any payments made from such account since the last preceding business day to him or for his benefit. Unless otherwise specified by the Employer, each deemed investment fund will be debited pro-rata based on the value of the investment funds as of the end of the preceding business day.

8.3.2. The Deferred Compensation Account shall be credited on each Crediting Date with the total amount of any Participant Deferral Credits and Employer Credits to such account since the last preceding Crediting Date.

8.3.3. The Deferred Compensation Account shall be credited or debited on each day securities are traded on a national stock exchange with the amount of deemed investment gain or loss resulting from the performance of the investment funds elected by the Participant in accordance with Section 8.2. The amount of such deemed investment gain or loss shall be determined by the Committee and such determination shall be final and conclusive upon all concerned.

Section 9. Administration by Committee:

9.1. Membership of Committee. If the Committee consists of individuals appointed by the Board, they will serve at the pleasure of the Board. Any member of the Committee may resign, and his successor, if any, shall be appointed by the Board.

9.2. General Administration. The Committee shall be responsible for the operation and administration of the Plan and for carrying out its provisions. The Committee shall have the full authority and discretion to make, amend, interpret, and enforce all appropriate rules and regulations for the administration of this Plan and decide or resolve any and all questions, including interpretations of this Plan, as may arise in connection with this Plan. Any such action taken by the Committee shall be final and conclusive on any party. To the extent the Committee has been granted discretionary authority under the Plan, the Committee's prior exercise of such authority shall not obligate it to exercise its authority in a like fashion thereafter. The Committee shall be entitled to rely conclusively upon all tables, valuations, certificates, opinions and reports furnished by any actuary, accountant, controller, counsel or other person employed or engaged by the Employer with respect to the Plan. The Committee may, from time to time, employ agents and delegate to such agents, including employees of the Employer, such administrative or other duties as it sees fit.

9.3. Indemnification. To the extent not covered by insurance, the Employer shall indemnify the Committee, each employee, officer, director, and agent of the Employer, and all persons formerly serving in such capacities, against any and all liabilities or expenses, including all legal fees relating thereto, arising in connection with the exercise of their duties and responsibilities with respect to the Plan, provided however that the Employer shall not indemnify any person for liabilities or expenses due to that person's own gross negligence or willful misconduct

Section 10. Contractual Liability, Trust:

10.1. Contractual Liability. Unless otherwise elected in the Adoption Agreement, the Company shall be obligated to make all payments hereunder. This obligation shall constitute a contractual liability of the Company to the Participants, and such payments shall be made from the general funds of the Company. The Company shall not be required to establish or maintain any special or separate fund, or otherwise to segregate assets to assure that such payments shall be made, and the Participants shall not have any interest in any particular assets of the Company by reason of its obligations hereunder. To the extent that any person acquires a right to receive payment from the Company, such right shall be no greater than the right of an unsecured creditor of the Company.

10.2. Trust. The Employer may establish a trust to assist it in meeting its obligations under the Plan. Any such trust shall conform to the requirements of a grantor trust under Revenue Procedures 92-64 and 92-65 and at all times during the continuance of the trust the

principal and income of the trust shall be subject to claims of general creditors of the Employer under federal and state law. The establishment of such a trust would not be intended to cause Participants to realize current income on amounts contributed thereto, and the trust would be so interpreted and administered.

Section 11. Allocation of Responsibilities:

The persons responsible for the Plan and the duties and responsibilities allocated to each are as follows:

11.1. Board.

(i) To amend the Plan;

(ii) To appoint and remove members of the Committee; and

(iii) To terminate the Plan as permitted in Section 14.

11.2. Committee.

(i) To designate Participants;

(ii) To interpret the provisions of the Plan and to determine the rights of the Participants under the Plan, except to the extent otherwise provided in Section 16 relating to claims procedure;

(iii) To administer the Plan in accordance with its terms, except to the extent powers to administer the Plan are specifically delegated to another person or persons as provided in the Plan;

(iv) To account for the amount credited to the Deferred Compensation Account of a Participant;

(v) To direct the Employer in the payment of benefits;

(vi) To file such reports as may be required with the United States Department of Labor, the Internal Revenue Service and any other government agency to which reports may be required to be submitted from time to time; and

(vii) To administer the claims procedure to the extent provided in Section 16.

Section 12. Benefits Not Assignable; Facility of Payments:

12.1. Benefits Not Assignable. No portion of any benefit credited or paid under the Plan with respect to any Participant shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge, and any attempt so to anticipate, alienate, sell, transfer, assign, pledge, encumber or charge the same shall be void, nor shall any portion of such benefit be in any manner payable to any assignee, receiver or any one trustee, or be liable for his debts, contracts, liabilities, engagements or torts. Notwithstanding the foregoing, in the event that all or any portion of the benefit of a Participant is transferred to the former Spouse of the Participant incident to a divorce, the Committee shall maintain such amount for the benefit of the former Spouse until distributed in the manner required by an order of any court having jurisdiction over the divorce, and the former Spouse shall be entitled to the same rights as the Participant with respect to such benefit.

12.2. Plan-Approved Domestic Relations Orders. The Committee shall establish procedures for determining whether an order directed to the Plan is a Plan-Approved Domestic Relations Order. If the Committee determines that an order is aPlan-Approved Domestic

Relations Order, the Committee shall cause the payment of amounts pursuant to or segregate a separate account as provided by (and to prevent any payment or act which might be inconsistent with) the Plan-Approved Domestic Relations Order.

12.3. Payments to Minors and Others. If any individual entitled to receive a payment under the Plan shall be physically, mentally or legally incapable of receiving or acknowledging receipt of such payment, the Committee, upon the receipt of satisfactory evidence of his incapacity and satisfactory evidence that another person or institution is maintaining him and that no guardian or committee has been appointed for him, may cause any payment otherwise payable to him to be made to such person or institution so maintaining him. Payment to such person or institution shall be in full satisfaction of all claims by or through the Participant to the extent of the amount thereof.

Section 13. Beneficiary:

The Participant's beneficiary shall be the person, persons, entity or entities designated by the Participant on the beneficiary designation form provided by and filed with the Committee or its designee. If the Participant does not designate a beneficiary, the beneficiary shall be his Surviving Spouse. If the Participant does not designate a beneficiary and has no Surviving Spouse, the beneficiary shall be the Participant's estate. The designation of a beneficiary may be changed or revoked only by filing a new beneficiary designation form with the Committee or its designee. If a beneficiary (the "primary beneficiary") is receiving or is entitled to receive payments under the Plan and dies before receiving all of the payments due him, the balance to which he is entitled shall be paid to the contingent beneficiary, if any, named in the Participant's current beneficiary designation form. If there is no contingent beneficiary, the balance shall be

paid to the estate of the primary beneficiary. Any beneficiary may disclaim all or any part of any benefit to which such beneficiary shall be entitled hereunder by filing a written disclaimer with the Committee before payment of such benefit is to be made. Such a disclaimer shall be made in a form satisfactory to the Committee and shall be irrevocable when filed. Any benefit disclaimed shall be payable from the Plan in the same manner as if the beneficiary who filed the disclaimer had predeceased the Participant.

Section 14. Amendment and Termination of Plan:

The Company may amend any provision of the Plan or terminate the Plan at any time; provided, that in no event shall such amendment or termination reduce the balance in any Participant's Deferred Compensation Account as of the date of such amendment or termination, nor shall any such amendment affect the terms of the Plan relating to the payment of such Deferred Compensation Account. Notwithstanding the foregoing, the following special provisions shall apply:

14.1. Termination in the Discretion of the Employer. Except as otherwise provided in Sections 14.2, the Company in its discretion may terminate the Plan and distribute benefits to Participants subject to the following requirements and any others specified under Section 409A of the Code:

14.1.1. All arrangements sponsored by the Employer that would be aggregated with the Plan under Section 1.409A-l(c) of the Treasury Regulations are terminated.

14.1.2. No payments other than payments that would be payable under the terms of the Plan if the termination had not occurred are made within 12 months of the termination date.

14.1.3. All benefits under the Plan are paid within 24 months of the termination date.

14.1.4. The Employer does not adopt a new arrangement that would be aggregated with the Plan underSection 1.409A-l(c) of the Treasury Regulations providing for the deferral of compensation at any time within 3 years following the date of termination of the Plan.

14.1.5. The termination does not occur proximate to a downturn in the financial health of the Employer.

14.2. Termination Upon Change in Control Event. If the Company terminates the Plan within thirty days preceding or twelve months following a Change in Control Event, the Deferred Compensation Account of each Participant shall become fully vested and payable to the Participant in a lump sum within twelve months following the date of termination, subject to the requirements of Section 409A of the Code.

Section 15. Communication to Participants:

The Employer shall make a copy of the Plan available for inspection by Participants and their beneficiaries during reasonable hours at the principal office of the Employer.

Section 16. Claims Procedure:

The following claims procedure shall apply with respect to the Plan:

16.1. Filing of a Claim for Benefits. If a Participant or Beneficiary (the "claimant") believes that he is entitled to benefits under the Plan which are not being paid to him or which are not being accrued for his benefit, he shall file a written claim therefore with the Committee.

16.2. Notification to Claimant of Decision. Within 90 days after receipt of a claim by the Committee (or within 180 days if special circumstances require an extension of time), the Committee shall notify the claimant of the decision with regard to the claim. In the event of such special circumstances requiring an extension of time, there shall be furnished to the claimant prior to expiration of the initial 90-day period written notice of the extension, which notice shall set forth the special circumstances and the date by which the decision shall be furnished. If such claim shall be wholly or partially denied, notice thereof shall be in writing and worded in a manner calculated to be understood by the claimant, and shall set forth: (i) the specific reason or reasons for the denial; (ii) specific reference to pertinent provisions of the Plan on which the denial is based; (iii) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; and (iv) an explanation of the procedure for review of the denial and the time limits applicable to such procedures, including a statement of the claimant's right to bring a civil action under ERISA following an adverse benefit determination on review. Notwithstanding the foregoing, if the claim relates to a disability determination, the Committee shall notify the claimant of the decision within 45 days (which may be extended for an additional 30 days if required by special circumstances).

16.3. Procedure for Review. Within 60 days following receipt by the claimant of notice denying his claim, in whole or in part, or, if such notice shall not be given, within 60 days following the latest date on which such notice could have been timely given, the claimant may appeal denial of the claim by filing a written application for review with the Committee. Following such request for review, the Committee shall fully and fairly review the decision denying the claim. Prior to the decision of the Committee, the claimant shall be given an opportunity to review pertinent documents and to submit issues and comments in writing.

16.4. Decision on Review. The decision on review of a claim denied in whole or in part by the Committee shall be made in the following manner:

16.4.1. Within 60 days following receipt by the Committee of the request for review (or within 120 days if special circumstances require an extension of time), the Committee shall notify the claimant in writing of its decision with regard to the claim. In the event of such special circumstances requiring an extension of time, written notice of the extension shall be furnished to the claimant prior to the commencement of the extension. Notwithstanding the foregoing, if the claim relates to a disability determination, the Committee shall notify the claimant of the decision within 45 days (which may be extended for an additional 45 days if required by special circumstances).

16.4.2. With respect to a claim that is denied in whole or in part, the decision on review shall set forth specific reasons for the decision, shall be written in a manner calculated to be understood by the claimant, and shall set forth:

(i) the specific reason or reasons for the adverse determination;

(ii) specific reference to pertinent Plan provisions on which the adverse determination is based;

(iii) a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim for benefits; and

(iv) a statement describing any voluntary appeal procedures offered by the Plan and the claimant's right to obtain the information about such procedures, as well as a statement of the claimant's right to bring an action under ERISA section 502(a).

16.4.3. The decision of the Committee shall be final and conclusive.

16.5. Action by Authorized Representative of Claimant. All actions set forth in this Section 16 to be taken by the claimant may likewise be taken by a representative of the claimant duly authorized by him to act in his behalf on such matters. The Committee may require such evidence as either may reasonably deem necessary or advisable of the authority to act of any such representative.

Section 17. Miscellaneous Provisions:

17.1. Set off. Notwithstanding any other provision of this Plan, the Employer may reduce the amount of any payment otherwise payable to or on behalf of a Participant hereunder (net of any required withholdings) at the time payment is due by the amount of any loan, cash advance, extension of credit or other obligation of the Participant to the Employer that is then due and payable, and the Participant shall be deemed to have consented to such reduction. In addition, the Employer may at any time offset a Participant's Deferral Compensation Account by an amount up to $5,000 to collect any such amount in accordance with the requirements of Section 409A of the Code.

17.2. Notices. Each Participant who is not in Service and each Beneficiary shall be responsible for furnishing the Committee or its designee with his current address for the mailing of notices and benefit payments. Any notice required or permitted to be given to such Participant or Beneficiary shall be deemed given if directed to such address and mailed by regular United

States mail, first class, postage prepaid. If any check mailed to such address is returned as undeliverable to the addressee, mailing of checks will be suspended until the Participant or Beneficiary furnishes the proper address. This provision shall not be construed as requiring the mailing of any notice or notification otherwise permitted to be given by posting or by other publication.

17.3. Lost Distributees. A benefit shall be deemed forfeited if the Committee is unable to locate the Participant or Beneficiary to whom payment is due on or before the fifth anniversary of the date payment is to be made or commence; provided, that the deemed investment rate of return pursuant to Section 8.2 shall cease to be applied to the Participant's account following the first anniversary of such date; provided further, however, that such benefit shall be reinstated if a valid claim is made by or on behalf of the Participant or Beneficiary for all or part of the forfeited benefit.

17.4. Reliance on Data. The Employer and the Committee shall have the right to rely on any data provided by the Participant or by any Beneficiary. Representations of such data shall be binding upon any party seeking to claim a benefit through a Participant, and the Employer and the Committee shall have no obligation to inquire into the accuracy of any representation made at any time by a Participant or Beneficiary.

17.5. Receipt and Release for Payments. Subject to the provisions of Section 17.1, any payment made from the Plan to or with respect to any Participant or Beneficiary, or pursuant to a disclaimer by a Beneficiary, shall, to the extent thereof, be in full satisfaction of all claims hereunder against the Plan and the Employer with respect to the Plan. The recipient of any payment from the Plan may be required by the Committee, as a condition precedent to such payment, to execute a receipt and release with respect thereto in such form as shall be acceptable to the Committee.

17.6. Headings. The headings and subheadings of the Plan have been inserted for convenience of reference and are to be ignored in any construction of the provisions hereof.

17.7. Continuation of Employment. The establishment of the Plan shall not be construed as conferring any legal or other rights upon any Employee or any persons for continuation of employment, nor shall it interfere with the right of the Employer to discharge any Employee or to deal with him without regard to the effect thereof under the Plan.

17.8. Merger or Consolidation; Assumption of Plan. No Employer shall consolidate or merge into or with another corporation or entity, or transfer all or substantially all of its assets to another corporation, partnership, trust or other entity (a "**Successor Entity**") unless such Successor Entity shall assume the rights, obligations and liabilities of the Employer under the Plan and upon such assumption, the Successor Entity shall become obligated to perform the terms and conditions of the Plan. Nothing herein shall prohibit the assumption of the obligations and liabilities of the Employer under the Plan by any Successor Entity.

17.9. Construction. The Employer shall designate in the Adoption Agreement the state according to whose laws the provisions of the Plan shall be construed and enforced, except to the extent that such laws are superseded by ERISA and the applicable requirements of the Code.

17.10. Taxes. The Employer or other payor may withhold a benefit payment under the Plan or a Participant's wages, or the Employer may reduce a Participant's Account balance, in

order to meet any federal, state, or local or employment tax withholding obligations with respect to Plan benefits, as permitted under Section 409A of the Code. The Employer or other payor shall report Plan payments and other Plan-related information to the appropriate governmental agencies as required under applicable laws.

Section 18. Transition Rules:

This Section 18 does not apply to plans newly established on or after January 1, 2009.

18.1. 2005 Election Termination. Notwithstanding Section 4.1.4, at any time during 2005, a Participant may terminate a Participation Agreement, or modify a Participation Agreement to reduce the amount of Compensation subject to the deferral election, so long as the Compensation subject to the terminated or modified Participation Agreement is includible in the income of the Participant in 2005 or, if later, in the taxable year in which the amounts are earned and vested.

18.2. 2005 Deferral Election. The requirements of Section 4.1.2 relating to the timing of the Participation Agreement shall not apply to any deferral elections made on or before March 15, 2005, provided that (a) the amounts to which the deferral election relate have not been paid or become payable at the time of the election, (b) the Plan was in existence on or before December 31, 2004, (c) the election to defer compensation is made in accordance with the terms of the Plan as in effect on December 31, 2005 (other than a requirement to make a deferral election after March 15, 2005), and (d) the Plan is otherwise operated in accordance with the requirements of Section 409A of the Code.

18.3. 2005 Termination of Participation; Distribution. Notwithstanding anything in this Plan to the contrary, at any time during 2005, a Participant may terminate his or her participation in the Plan and receive a distribution of his Deferred Compensation Account balance on account of that termination, so long as the full amount of such distribution is includible in the Participant's income in 2005 or, if later, in the taxable year of the Participant in which the amount is earned and vested.

18.4. Payment Elections. Notwithstanding the provisions of Sections 7.1 or 7.5 of the Plan, a Participant may elect on or before December 31, 2008, the time or form of payment of amounts subject to Section 409A of the Code provided that such election applies only to amounts that would not otherwise be payable in the year of the election and does not cause an amount to paid in the year of the election that would not otherwise be payable in such year.

LTF HOLDINGS, INC.
2015 EQUITY INCENTIVE PLAN

1. ***Purpose***.

The purpose of the Plan is to advance the interests of the Company's stockholders by enhancing the Company's ability to attract, retain and motivate persons who make (or are expected to make) important contributions to the Company by providing such persons with equity ownership opportunities and thereby better aligning the interests of such persons with those of the Company's stockholders. Capitalized terms used in the Plan are defined in Section 11 below.

2. ***Eligibility***.

Service Providers are eligible to be granted Awards under the Plan, subject to the limitations described herein.

3. ***Administration and Delegation.***

(a) *Administration.* The Plan will be administered by the Administrator. The Administrator shall have authority to determine which Service Providers will receive Awards, to grant Awards and to set all terms and conditions of Awards (including, but not limited to, vesting, exercise and forfeiture provisions). In addition, the Administrator shall have the authority to take all actions and make all determinations contemplated by the Plan and to adopt, amend and repeal such administrative rules, guidelines and practices relating to the Plan as it shall deem advisable. The Administrator may correct any defect or ambiguity, supply any omission or reconcile any inconsistency in the Plan or any Award in the manner and to the extent it shall deem necessary or appropriate to carry the Plan and any Awards into effect, as determined by the Administrator. The Administrator shall make all determinations under the Plan in the Administrator's sole discretion and all such determinations shall be final and binding on all persons having or claiming any interest in the Plan or in any Award.

(b) *Appointment of Committees.* To the extent permitted by Applicable Laws, the Board may delegate any or all of its powers under the Plan to one or more Committees (except as otherwise provided with respect to a specific Award in the applicable Award Agreement). The Board may abolish any Committee at any time and re-vest in itself any previously delegated authority.

4. ***Stock Available for Awards.***

(a) *Number of Shares; Shares Reserved for Specific Awards.* Subject to adjustment under Section 8 hereof, the aggregate number of shares of Common Stock subject to Awards under the Plan shall not exceed 2,679,500. Of such shares, (i) 938,800 shares of Common Stock shall be subject to an Option granted to the Chairman of the Board, Chief Executive Officer and President of the Company on the Effective Date with the terms set forth in the Employment Agreement, (ii) 1,408,200 shares of Common Stock shall be reserved for future grants of Options to corporate office Employees (other than the Chairman of the Board, Chief Executive Officer and President of the Company) and field/club Employees, and (iii) 332,500 shares of Common Stock shall be reserved for future grants of Restricted Stock to the Chairman of the Board, Chief Executive Officer and President of the Company on the dates and with the terms set forth in the Employment Agreement. If any Award expires or lapses or is terminated, surrendered or canceled without having been fully exercised or is forfeited in whole or in part (including as the result of shares of Common Stock subject to such Award being repurchased by the Company at or below the original issuance price), in any case in a manner that results in any shares of Common Stock covered by such Award not being issued or being so reacquired by the Company, the

unused Common Stock covered by such Award shall again be available for the grant of Awards under the Plan. Further, shares of Common Stock delivered (either by actual delivery or attestation) to the Company by a Participant to satisfy the applicable exercise or purchase price of an Award and/or to satisfy any applicable tax withholding obligation (including shares retained by the Company from the Award being exercised or purchased and/or creating the tax obligation) shall be added to the number of shares of Common Stock available for the grant of Awards under the Plan. However, in the case of Incentive Stock Options (as hereinafter defined), the foregoing provisions shall be subject to any limitations under the Code. Shares of Common Stock issued under the Plan may consist in whole or in part of authorized but unissued shares, shares purchased on the open market or treasury shares.

(b) *Substitute Awards*. In connection with a merger or consolidation of an entity with the Company or the acquisition by the Company of property or stock of an entity, the Administrator may grant Awards in substitution for any options or other stock or stock-based awards granted prior to such merger or consolidation by such entity or an affiliate thereof. Substitute Awards may be granted on such terms as the Administrator deems appropriate in the circumstances, notwithstanding any limitations on Awards contained in the Plan. Substitute Awards shall not count against the overall share limit set forth in Section 4(a) hereof, except as may be required by reason of Section 422 of the Code.

5. ***Stock Options.***

(a) *General.* The Administrator may grant Options to any Service Provider, subject to the limitations on Incentive Stock Options described below. The Administrator shall determine the number of shares of Common Stock to be covered by each Option, the exercise price of each Option and the conditions and limitations applicable to the exercise of each Option, including conditions relating to Applicable Laws, as it considers necessary or advisable.

(b) *Incentive Stock Options.* The Administrator may grant Options intended to qualify as Incentive Stock Options only to employees of the Company, any of the Company's present or future "parent corporations" or "subsidiary corporations" as defined in Sections 424(e) or (f) of the Code, respectively, and any other entities the employees of which are eligible to receive Incentive Stock Options under the Code. All Options intended to qualify as Incentive Stock Options shall be subject to and shall be construed consistently with the requirements of Section 422 of the Code. Neither the Company nor the Administrator shall have any liability to a Participant, or any other party, (i) if an Option (or any part thereof) which is intended to qualify as an Incentive Stock Option fails to qualify as an Incentive Stock Option or (ii) for any action or omission by the Administrator that causes an Option not to qualify as an Incentive Stock Option, including without limitation, the conversion of an Incentive Stock Option to a Non-Qualified Stock Option or the grant of an Option intended as an Incentive Stock Option that fails to satisfy the requirements under the Code applicable to an Incentive Stock Option. Any Option that is intended to qualify as an Incentive Stock Option, but fails to so qualify for any reason, including without limitation, the portion of any Option becoming exercisable in excess of the $100,000 limitation described in Treasury Regulation Section 1.422-4, shall be treated as a Non-Qualified Stock Option for all purposes.

(c) *Exercise Price.* The Administrator shall establish the exercise price of each Option and specify the exercise price in the applicable Award Agreement. Unless otherwise determined by the Administrator and set forth in an applicable Award Agreement, the exercise price shall be not less than 100% of the Fair Market Value on the date the Option is granted. In the case of an Incentive Stock Option granted to an employee who, at the time of grant of the Option, owns (or is treated as owning under Section 424 of the Code) stock representing more than 10% of the voting power of all classes of stock of the Company (or a "parent corporation" or "subsidiary corporation" thereof within the meaning of Sections 424(e) or 424(f) of the Code, respectively), the per share exercise price shall be no less than 110% of the Fair Market Value on the date the Option is granted (and in the case of an Incentive Stock Option granted to any other employee the exercise price shall be not less than 100% of the Fair Market Value on the date the Option is granted).

(d) *Duration of Options.* Each Option shall be exercisable at such times and subject to such terms and conditions as the Administrator may specify in the applicable Award Agreement, provided, that the term of any Option shall not exceed ten years. In the case of an Incentive Stock Option granted to an employee who, at the time of grant of the Option, owns (or is treated as owning under Section 424 of the Code) stock representing more than 10% of the voting power of all classes of stock of the Company (or a "parent corporation" or "subsidiary corporation" thereof within the meaning of Sections 424(e) or 424(f) of the Code, respectively), the term of the Option shall not exceed five years.

(e) *Exercise of Option; Notification of Disposition.* Options may be exercised by delivery to the Company of a written notice of exercise, in a form approved by the Administrator (which may be an electronic form), signed by the person authorized to exercise the Option, together with payment in full (i) as specified in Section 5(f) hereof for the number of shares for which the Option is exercised and (ii) as specified in Section 9(e) hereof for any applicable withholding taxes. Unless otherwise determined by the Administrator, an Option may not be exercised for a fraction of a share of Common Stock. If an Option is designated as an Incentive Stock Option, the Participant shall give prompt notice to the Company of any disposition or other transfer of any shares of Common Stock acquired from the Option if such disposition or transfer is made (1) within two years from the grant date with respect to such Option or (2) within one year after the transfer of such shares to the Participant (other than any such disposition made in connection with a Change in Control). Such notice shall specify the date of such disposition or other transfer and the amount realized, in cash, other property, assumption of indebtedness or other consideration, by the Participant in such disposition or other transfer.

(f) *Payment Upon Exercise.* Common Stock purchased upon the exercise of an Option granted under the Plan shall be paid for in cash or by check, payable to the order of the Company, or, to the extent permitted by the Administrator, by:

(1) (A) delivery of an irrevocable and unconditional undertaking by a broker acceptable to the Company to deliver promptly to the Company sufficient funds to pay the exercise price and any required tax withholding, or (B) delivery by the Participant to the Company of a copy of irrevocable and unconditional instructions to a broker acceptable to the Company to deliver promptly to the Company cash or a check sufficient to pay the exercise price and any required tax withholding;

(2) delivery (either by actual delivery or attestation) of shares of Common Stock owned by the Participant valued at their Fair Market Value, provided (A) such method of payment is then permitted under Applicable Laws, (B) such Common Stock, if acquired directly from the Company, was owned by the Participant for such minimum period of time, if any, as may be established by the Company at any time, and (C) such Common Stock is not subject to any repurchase, forfeiture, unfulfilled vesting or other similar requirements;

(3) surrendering shares of Common Stock then issuable upon exercise of the Option valued at their Fair Market Value on the date of exercise;

(4) delivery of a promissory note of the Participant to the Company on terms determined by the Administrator;

(5) delivery of property of any other kind which constitutes good and valuable consideration as determined by the Administrator; or

(6) any combination of the above permitted forms of payment (including cash or check).

(g) *Early Exercise of Options*. The Administrator may provide in the terms of an Award Agreement that the Service Provider may exercise an Option in whole or in part prior to the full vesting of the Option in exchange for unvested shares of Restricted Stock with respect to any unvested portion of the Option so exercised. Shares of Restricted Stock acquired upon the exercise of any unvested portion of an Option shall be subject to such terms and conditions as the Administrator shall determine.

6. ***Restricted Stock; Restricted Stock Units.***

(a) *General*. The Administrator may grant Restricted Stock, or the right to purchase Restricted Stock, to any Service Provider, subject to the right of the Company to repurchase all or part of such shares at their issue price or other stated or formula price from the Participant (or to require forfeiture of such shares if issued at no cost) in the event that conditions specified by the Administrator in the applicable Award Agreement are not satisfied prior to the end of the applicable restriction period or periods established by the Administrator for such Award. In addition, the Administrator may grant to Service Providers Restricted Stock Units, which may be subject to vesting and forfeiture conditions during applicable restriction period or periods, as set forth in an applicable Award Agreement.

(b) *Terms and Conditions for All Restricted Stock and Restricted Stock Unit Awards.* The Administrator shall determine and set forth in the applicable Award Agreement the terms and conditions applicable to each Restricted Stock and Restricted Stock Unit Award, including the conditions for vesting and repurchase (or forfeiture) and the issue price, in each case, if any.

(c) *Additional Provisions Relating to Restricted Stock.*

(1) *Dividends*. Participants holding shares of Restricted Stock will be entitled to all ordinary cash dividends paid with respect to such shares to the extent such dividends have a record date that is on or after the date on which the Participant to whom such Restricted Stock is granted becomes the record holder of such Restricted Stock, unless otherwise provided by the Administrator in the applicable Award Agreement. In addition, unless otherwise provided by the Administrator, if any dividends or distributions are paid in shares, or consist of a dividend or distribution to holders of Common Stock of property other than an ordinary cash dividend, the shares or other property will be subject to the same restrictions on transferability and forfeitability as the shares of Restricted Stock with respect to which they were paid. Each dividend payment will be made as provided in the applicable Award Agreement, but in no event later than the end of the calendar year in which the dividends are paid to stockholders of that class of stock or, if later, the 15th day of the third month following the later of (A) the date the dividends are paid to stockholders of that class of stock, and (B) the date the dividends are no longer subject to forfeiture.

(2) *Stock Certificates*. The Company may require that any stock certificates issued in respect of shares of Restricted Stock be deposited in escrow by the Participant, together with a stock power endorsed in blank, with the Company (or its designee).

(d) *Additional Provisions Relating to Restricted Stock Units.*

(1) *Settlement*. Upon the vesting of a Restricted Stock Unit, the Participant shall be entitled to receive from the Company one share of Common Stock or an amount of cash or other property equal to the Fair Market Value of one share of Common Stock on the settlement date, as

provided in the applicable Award Agreement. The Administrator may, in its discretion, provide that settlement of Restricted Stock Units shall occur upon or as soon as reasonably practicable after the vesting of the Restricted Stock Units or shall instead be deferred, on a mandatory basis or at the election of the Participant, in a manner that complies with Section 409A.

(2) *Voting Rights*. A Participant shall have no voting rights with respect to any Restricted Stock Units unless and until shares are delivered in settlement thereof.

(3) *Dividend Equivalents*. To the extent provided by the Administrator, a grant of Restricted Stock Units may provide a Participant with the right to receive Dividend Equivalents. Dividend Equivalents may be paid currently or credited to an account for the Participant, may be settled in cash and/or shares of Common Stock and may be subject to the same restrictions on transfer and forfeitability as the Restricted Stock Units with respect to which the Dividend Equivalents are paid, as determined by the Administrator, subject, in each case, to such terms and conditions as the Administrator shall establish and set forth in the applicable Award Agreement.

7. ***Other Stock-Based Awards.***

Other Stock-Based Awards may be granted hereunder to Participants, including, without limitation, Awards entitling Participants to receive shares of Common Stock to be delivered in the future. Such Other Stock-Based Awards shall also be available as a form of payment in the settlement of other Awards granted under the Plan, as stand-alone payments and/or as payment in lieu of compensation to which a Participant is otherwise entitled. Other Stock-Based Awards may be paid in shares of Common Stock, cash or other property, as the Administrator shall determine. Subject to the provisions of the Plan, the Administrator shall determine the terms and conditions of each Other Stock-Based Award, including any purchase price, transfer restrictions, vesting conditions and other terms and conditions applicable thereto, which shall be set forth in the applicable Award Agreement.

8. ***Adjustments for Changes in Common Stock and Certain Other Events.***

(a) In the event that the Administrator determines that any dividend or other distribution (whether in the form of cash, Common Stock, other securities, or other property), stock split, spin-off, reorganization, merger, consolidation, combination, repurchase, recapitalization, liquidation, dissolution, or sale, transfer, exchange or other disposition of all or substantially all of the assets of the Company, or sale or exchange of Common Stock or other securities of the Company, issuance of warrants or other rights to purchase Common Stock or other securities of the Company, or other similar corporate transaction or event, as determined by the Administrator, affects the Common Stock such that an adjustment is determined by the Administrator to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended by the Company to be made available under the Plan or with respect to any Award, then the Administrator may, in such manner as it may deem equitable, adjust any or all of:

(1) the number and kind of shares of Common Stock (or other securities or property) with respect to which Awards may be granted or awarded (including, but not limited to, adjustments of the limitations in Section 4 hereof on the maximum number and kind of shares which may be issued);

(2) the number and kind of shares of Common Stock (or other securities or property) subject to outstanding Awards;

(3) the grant or exercise price with respect to any Award; and

(4) the terms and conditions of any Awards (including, without limitation, any applicable financial or other performance "targets" specified in an Award Agreement.

(b) In the event of any transaction or event described in Section 8(a) hereof (including without limitation any Change in Control) or any unusual or nonrecurring transaction or event affecting the Company or the financial statements of the Company, or any change in any Applicable Laws or accounting principles, the Administrator, on such terms and conditions as it deems appropriate, either by the terms of the Award or by action taken prior to the occurrence of such transaction or event and either automatically or upon the Participant's request, is hereby authorized to take any one or more of the following actions whenever the Administrator determines that such action is appropriate in order to (i) prevent dilution or enlargement of the benefits or potential benefits intended by the Company to be made available under the Plan or with respect to any Award granted or issued under the Plan, (ii) to facilitate such transaction or event or (iii) give effect to such changes in Applicable Laws or accounting principles:

(1) To provide for the cancellation of any such Award in exchange for either an amount of cash or other property with a value equal to the amount that could have been obtained upon the exercise or settlement of the vested portion of such Award or realization of the Participant's rights under the vested portion of such Award, as applicable; *provided* that, if the amount that could have been obtained upon the exercise or settlement of the vested portion of such Award or realization of the Participant's rights, in any case, is equal to or less than zero, then the vested portion of such Award may be terminated without payment;

(2) To provide that such Award shall vest and, to the extent applicable, be exercisable as to all shares covered thereby, notwithstanding anything to the contrary in the Plan or the provisions of such Award;

(3) To provide that such Award be assumed by the successor or survivor corporation, or a parent or subsidiary thereof, or shall be substituted for by awards covering the stock of the successor or survivor corporation, or a parent or subsidiary thereof, with appropriate adjustments as to the number and kind of shares and applicable exercise or purchase price, in all cases, as determined by the Administrator;

(4) To make adjustments in the number and type of shares of Common Stock (or other securities or property) subject to outstanding Awards, and/or in the terms and conditions of (including the grant or exercise price), and the criteria included in, outstanding Awards; and/or

(5) To replace such Award with other rights or property of substantially equivalent value selected by the Administrator.

(c) In connection with the occurrence of any Equity Restructuring, and notwithstanding anything to the contrary in this Section 8, the Administrator will equitably adjust each outstanding Award, which adjustments may include adjustments to the number and type of securities subject to each outstanding Award and/or the exercise price or grant price thereof, if applicable, the grant of new Awards to Participants, and/or the making of a cash payment to Participants, as the Administrator deems appropriate to reflect such Equity Restructuring. The adjustments provided under this Section 8(c) shall be nondiscretionary and shall be final and binding on the affected Participant and the Company; *provided* that whether an adjustment is equitable shall be determined by the Administrator.

(d) In the event of any pending stock dividend, stock split, combination or exchange of shares, merger, consolidation or other distribution (other than normal cash dividends) of Company assets to stockholders, or any other change affecting the shares of Common Stock or the share price of the

Common Stock, including any Equity Restructuring, for reasons of administrative convenience the Administrator may refuse to permit the exercise of any Award during a period of up to fifteen days prior to the consummation of any such transaction.

9. ***General Provisions Applicable to Awards.***

(a) *Transferability of Awards.* Except as the Administrator may otherwise determine or provide in an Award Agreement or otherwise, in any case, in accordance with Applicable Laws, Awards shall not be sold, assigned, transferred, pledged or otherwise encumbered by the person to whom they are granted, either voluntarily or by operation of law, except by will or the laws of descent and distribution, and, during the life of the Participant, shall be exercisable only by the Participant. References to a Participant, to the extent relevant in the context, shall include references to authorized transferees.

(b) *Documentation.* Each Award shall be evidenced in an Award Agreement, which may be in such form (written, electronic or otherwise) as the Administrator shall determine. Each Award may contain terms and conditions in addition to those set forth in the Plan. Unless otherwise determined by the Board, all shares of Common Stock issued under the Plan shall be subject to the Stockholders Agreement.

(c) *Discretion.* Except as otherwise provided by the Plan, each Award may be made alone or in addition or in relation to any other Award. The terms of each Award to a Participant need not be identical, and the Administrator need not treat Participants or Awards (or portions thereof) uniformly.

(d) *Termination of Status.* The Administrator shall determine the effect on an Award of the disability, death, retirement, authorized leave of absence or any other change or purported change in a Participant's Service Provider status and the extent to which, and the period during which, the Participant, the Participant's legal representative, conservator, guardian or Designated Beneficiary may exercise rights under the Award, if applicable.

(e) *Withholding.* Each Participant shall pay to the Company, or make provision satisfactory to the Administrator for payment of, any taxes required by law to be withheld in connection with Awards to such Participant no later than the date of the event creating the tax liability. Except as the Administrator may otherwise determine, all such payments shall be made in cash or by certified check. Notwithstanding the foregoing, to the extent permitted by the Administrator, Participants may satisfy such tax obligations in whole or in part by delivery of shares of Common Stock, including shares retained from the Award creating the tax obligation, valued at their Fair Market Value. Except as otherwise provided with respect to a specific Award in the applicable Award Agreement, the Company may, to the extent permitted by Applicable Laws, deduct any such tax obligations from any payment of any kind otherwise due to a Participant.

(f) *Amendment of Award.* The Administrator may amend, modify or terminate any outstanding Award, including but not limited to, substituting therefor another Award of the same or a different type, changing the date of exercise or settlement, and converting an Incentive Stock Option to a Non-Qualified Stock Option. The Participant's consent to such action shall be required unless (i) the Administrator determines that the action, taking into account any related action, would not materially and adversely affect the Participant, or (ii) the change is permitted under Section 8 and 10(f) hereof.

(g) *Conditions on Delivery of Stock.* The Company will not be obligated to deliver any shares of Common Stock pursuant to the Plan or to remove restrictions from shares previously delivered under the Plan until (i) all conditions of the Award have been met or removed to the satisfaction of the Company, (ii) in the opinion of the Company's counsel, all other legal matters in connection with the

issuance and delivery of such shares have been satisfied, including any applicable securities laws and any applicable stock exchange or stock market rules and regulations, (iii) the Participant has entered into or become a party to the Stockholders Agreement with the Company pursuant to a joinder or other agreement in the form provided to the Participant by the Company, and (iv) the Participant has executed and delivered to the Company such representations or agreements as the Administrator deems necessary or appropriate to satisfy the requirements of any Applicable Laws. The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is determined by the Administrator to be necessary to the lawful issuance and sale of any securities hereunder, shall relieve the Company of any liability in respect of the failure to issue or sell such shares as to which such requisite authority shall not have been obtained.

(h) *Acceleration.* The Administrator may at any time provide that any Award shall become immediately vested and/or exercisable in full or in part, free of some or all restrictions or conditions, or otherwise realizable in full or in part, as the case may be.

10. ***Miscellaneous.***

(a) *No Right To Employment or Other Status.* No person shall have any claim or right to be granted an Award, and the grant of an Award shall not be construed as giving a Participant the right to continued employment or any other relationship with the Company. The Company expressly reserves the right at any time to dismiss or otherwise terminate its relationship with a Participant free from any liability or claim under the Plan or any Award, except as expressly provided in an applicable Award Agreement.

(b) *No Rights As Stockholder; Certificates.* Subject to the provisions of the applicable Award Agreement, no Participant or Designated Beneficiary shall have any rights as a stockholder with respect to any shares of Common Stock to be distributed with respect to an Award until becoming the record holder of such shares. Notwithstanding any other provision of the Plan, unless otherwise determined by the Administrator or required by any Applicable Laws, the Company shall not be required to deliver to any Participant certificates evidencing shares of Common Stock issued in connection with any Award and instead such shares of Common Stock may be recorded in the books of the Company (or, as applicable, its transfer agent or stock plan administrator). The Company may place legends on stock certificates issued under the Plan deemed necessary or appropriate by the Administrator in order to comply with Applicable Laws.

(c) *Effective Date and Term of Plan.* The Plan shall become effective on the date on which it is adopted by the Board. No Awards shall be granted under the Plan after the completion of ten years from the earlier of (i) the date on which the Plan was adopted by the Board or (ii) the date the Plan was approved by the Company's stockholders, but Awards previously granted may extend beyond that date in accordance with the terms of the Plan.

(d) *Amendment of Plan*. The Administrator may amend, suspend or terminate the Plan or any portion thereof at any time;*provided* that no amendment of the Plan shall materially and adversely affect any Award outstanding at the time of such amendment without the consent of the affected Participant; and *provided*, *further*, that no such amendment of the Plan shall materially and adversely affect any Participant's rights under the Stockholders Agreement. Awards outstanding under the Plan at the time of any suspension or termination of the Plan shall continue to be governed in accordance with the terms of the Plan and the applicable Award Agreement, as in effect prior to such suspension or termination. The Board shall obtain stockholder approval of any Plan amendment to the extent necessary to comply with Applicable Laws.

(e) *Provisions for Foreign Participants.* The Administrator may modify Awards granted to Participants who are foreign nationals or employed outside the United States or establish subplans or procedures under the Plan to address differences in laws, rules, regulations or customs of such foreign jurisdictions with respect to tax, securities, currency, employee benefit or other matters.

(f) *Section 409A*.

(1) *General*. The Company shall undertake to administer, interpret and construe this Plan and any Award Agreement in a manner that does not result in the imposition on a Participant of any additional tax, penalty or interest under Section 409A, and to comply with Section 409A to the extent applicable. Notwithstanding anything herein or in any Award Agreement to the contrary, if the Company determines in good faith that any provision of an Award Agreement would cause a Participant to incur an additional tax, penalty or interest under Section 409A, the Company and such Participant shall use reasonable efforts to reform such provision, if possible, in a mutually agreeable fashion to maintain to the maximum extent practicable the original intent of the applicable provision without violating the provisions of Section 409A or causing the imposition of such additional tax, penalty or interest under Section 409A. Notwithstanding the foregoing, the Company makes no representations or warranties as to the tax treatment of any Award under Section 409A or otherwise and the Company shall have no obligation under this Section 10(f) or otherwise to take any action (whether or not described herein) to avoid the imposition of taxes, penalties or interest under Section 409A with respect to any Award and shall have no liability to any Participant or any other person if any Award, compensation or other benefits under the Plan are determined to constitute non-compliant, "nonqualified deferred compensation" subject to the imposition of taxes, penalties and/or interest under Section 409A.

(2) *Separation from Service.* With respect to any Award that constitutes "nonqualified deferred compensation" under Section 409A, any payment or settlement of such Award that is to be made upon a termination of a Participant's Service Provider relationship shall, to the extent necessary to avoid the imposition of taxes under Section 409A, be made only upon the Participant's "separation from service" (within the meaning of Section 409A), whether such "separation from service" occurs upon or subsequent to the termination of the Participant's Service Provider relationship. For purposes of any such provision of this Plan or any Award Agreement relating to any such payments or benefits, references to a "termination," "termination of employment" or like terms shall mean "separation from service."

(3) *Payments to Specified Employees*. Notwithstanding any contrary provision in the Plan or any Award Agreement, any payment(s) of "nonqualified deferred compensation" that are otherwise required to be made under an Award to a "specified employee" (as defined under Section 409A and determined by the Administrator) as a result of his or her "separation from service" shall, to the extent necessary to avoid the imposition of taxes under Code Section 409A(a)(2)(B)(i), be delayed until the expiration of the six-month period immediately following such "separation from service" (or, if earlier, until the date of death of the specified employee) and shall instead be paid (in a manner set forth in the Award agreement) on the day that immediately follows the end of such six-month period or as soon as administratively practicable thereafter (without interest). Any payments of "nonqualified deferred compensation" under such Award that are, by their terms, payable more than six months following the Participant's "separation from service" shall be paid at the time or times such payments are otherwise scheduled to be made.

(g) *Limitations on Liability.* Notwithstanding any other provisions of the Plan, no individual acting as a director, officer, other employee or agent of the Company will be liable to any Participant,

former Participant, spouse, beneficiary, or any other person for any claim, loss, liability, or expense incurred in connection with the Plan or any Award, nor will such individual be personally liable with respect to the Plan because of any contract or other instrument he or she executes in his or her capacity as an Administrator, director, officer, other employee or agent of the Company. The Company will indemnify and hold harmless each director, officer, other employee and agent of the Company to whom any duty or power relating to the administration or interpretation of the Plan has been or will be granted or delegated, against any cost or expense (including attorneys' fees) or liability (including any sum paid in settlement of a claim with the Administrator's approval) arising out of any act or omission to act concerning this Plan unless arising out of such person's own fraud or bad faith.

(h) *Lock-Up Period.* The Company may, at the request of any representative of the underwriters or otherwise, in connection with any registration of the offering of any securities of the Company under the Securities Act, prohibit Participants from, directly or indirectly, selling or otherwise transferring any shares of Common Stock or other securities of the Company during a period of up to one hundred eighty days following the effective date of a registration statement of the Company filed under the Securities Act.

(i) *Data Privacy.* As a condition of receipt of any Award, each Participant explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of personal data as described in this paragraph by and among, as applicable, the Company and its subsidiaries and affiliates for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan. The Company and its subsidiaries and affiliates may hold certain personal information about a Participant, including but not limited to, the Participant's name, home address and telephone number, date of birth, social security or insurance number or other identification number, salary, nationality, job title(s), any shares of stock held in the Company or any of its subsidiaries and affiliates, details of all Awards, in each case, for the purpose of implementing, managing and administering the Plan and Awards (the "***Data***"). The Company and its subsidiaries and affiliates may transfer the Data amongst themselves as necessary for the purpose of implementation, administration and management of a Participant's participation in the Plan, and the Company and its subsidiaries and affiliates may each further transfer the Data to any third parties assisting the Company in the implementation, administration and management of the Plan. These recipients may be located in the Participant's country, or elsewhere, and the Participant's country may have different data privacy laws and protections than the recipients' country. Through acceptance of an Award, each Participant authorizes such recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Participant's participation in the Plan, including any requisite transfer of such Data as may be required to a broker or other third party with whom the Company or the Participant may elect to deposit any shares of Common Stock. The Data related to a Participant will be held only as long as is necessary to implement, administer, and manage the Participant's participation in the Plan. A Participant may, at any time, view the Data held by the Company with respect to such Participant, request additional information about the storage and processing of the Data with respect to such Participant, recommend any necessary corrections to the Data with respect to the Participant or refuse or withdraw the consents herein in writing, in any case without cost, by contacting his or her local human resources representative. The Company may cancel Participant's ability to participate in the Plan and, in the Administrator's discretion, the Participant may forfeit any outstanding Awards if the Participant refuses or withdraws his or her consents as described herein. For more information on the consequences of refusal to consent or withdrawal of consent, Participants may contact their local human resources representative.

(j) *Severability.* In the event any portion of the Plan or any action taken pursuant thereto shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provisions had not been included, and the illegal or invalid action shall be null and void.

(k) *Governing Documents.* In the event of any contradiction between the Plan and any Award Agreement or any other written agreement between a Participant and the Company or any subsidiary of the Company that has been approved by the Administrator, the terms of the Plan shall govern, unless it is expressly specified in such Award Agreement or other written document that a specific provision of the Plan shall not apply. In the event of any contradiction between the Plan or any Award Agreement and Stockholders Agreement, the terms of the Stockholders Agreement shall govern, unless it is expressly specified in the Plan or such Award Agreement that a specific provision of the Stockholders Agreement shall not apply.

(l) *Submission to Jurisdiction; Waiver of Jury Trial.* By accepting an Award, each Participant irrevocably and unconditionally consents to submit to the exclusive jurisdiction of the courts of the State of Delaware and of the United States of America, in each case located in the State of Delaware, for any action arising out of or relating to the Plan (and agrees not to commence any litigation relating thereto except in such courts), and further agrees that service of any process, summons, notice or document by U.S. registered mail to the address contained in the records of the Company shall be effective service of process for any litigation brought against it in any such court. By accepting an Award, each Participant irrevocably and unconditionally waives any objection to the laying of venue of any litigation arising out of Plan or Award hereunder in the courts of the State of Delaware or the United States of America, in each case located in the State of Delaware, and further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such litigation brought in any such court has been brought in an inconvenient forum. Except as otherwise provided with respect to a specific Award in the applicable Award Agreement, by accepting an Award, each Participant irrevocably and unconditionally waives, to the fullest extent permitted by applicable law, any and all rights to trial by jury in connection with any litigation arising out of or relating to the Plan or any Award hereunder.

(m) *Governing Law*. The provisions of the Plan and all Awards made hereunder shall be governed by and interpreted in accordance with the laws of the State of Delaware, disregarding choice-of-law principles of the law of any state that would require the application of the laws of a jurisdiction other than such state.

(n) *Restrictions on Shares.* Shares of Common Stock acquired in respect of Awards shall be subject to such terms and conditions as the Administrator shall determine, including, without limitation, restrictions on the transferability of shares of Common Stock, the right of the Company to repurchase shares of Common Stock, the right of the Company to require that shares of Common Stock be transferred in the event of certain transactions, tag-along rights, bring-along rights, redemption and co-sale rights and voting requirements. Such terms and conditions may be additional to those contained in the Plan and the Stockholders Agreement and may, as determined by the Administrator, be contained in the applicable Award Agreement or in an exercise notice, additional stockholders' agreement or in such other agreement as the Administrator shall determine, in each case in a form determined by the Administrator. The issuance of such shares of Common Stock shall be conditioned on the Participant's consent to such terms and conditions and the Participant's entering into such agreement or agreements.

(o) *Titles and Headings*. The titles and headings of the Sections in the Plan are for convenience of reference only and, in the event of any conflict, the text of the Plan, rather than such titles or headings, shall control.

(p) *Conformity to Securities Laws.* Each Participant acknowledges that the Plan is intended to conform to the extent necessary with all provisions of the Securities Act and the Exchange Act and any and all regulations and rules promulgated by the Securities and Exchange Commission thereunder, and state securities laws and regulations. Notwithstanding anything herein to the contrary, the Plan and all

Awards granted hereunder shall be administered only in such a manner as to conform to such laws, rules and regulations. To the extent permitted by Applicable Laws, the Plan and all Award Agreements shall be deemed amended to the extent necessary to conform to such laws, rules and regulations.

11. ***Definitions***. As used in the Plan, the following words and phrases shall have the following meanings:

(a) "***Administrator***" means the Board or, except as otherwise provided with respect to a specific Award in the applicable Award Agreement, a Committee to the extent that the Board's powers or authority under the Plan have been delegated to such Committee.

(b) "***Applicable Laws***" means the requirements relating to the administration of equity incentive plans under U.S. federal and state securities, tax and other applicable laws, rules and regulations, the applicable rules of any stock exchange or quotation system on which the Common Stock is listed or quoted and the applicable laws and rules of any foreign country or other jurisdiction where Awards are granted or issued under the Plan.

(c) "***Award***" means, individually or collectively, a grant under the Plan of Options, Restricted Stock, Restricted Stock Units or Other Stock-Based Awards.

(d) "***Award Agreement***" means a written agreement evidencing an Award, which agreements may be in electronic medium and shall contain such terms and conditions with respect to an Award as the Administrator shall determine, consistent with and subject to the terms and conditions of the Plan.

(e) "***Board***" means the Board of Directors of the Company.

(f) "***Cause***," with respect to a Participant, shall have the meaning set forth in any written employment agreement to which such Participant is a party, *provided, however*, that if such written employment agreement does not exist (or if such written agreement exists, but does not contain such definition), then "Cause" shall mean the occurrence of any of the following events during the term of such Participant's employment with the Company and its subsidiaries: (i) willful and deliberate acts of dishonesty, fraud or unlawful behavior against or at the expense of the Company or any of its affiliates; (ii) commission or conviction of, or plea of *nolo contendere* to, any felony or crime of moral turpitude; (iii) gross negligence or willful misconduct in the performance of such Participant's duties as an employee or director of the Company or any of its affiliates; (iv) refusal to substantially perform, or persistent neglect of, such Participant's duties and responsibilities to the Company or any of its affiliates or chronic unapproved absenteeism; (v) inability of such Participant to perform his or her duties at a level commensurate with his or her position; (vi) reporting to the workplace under the influence of alcohol or illegal drugs or the use of illegal drugs (whether or not at the workplace); or (vii) breach of any material term(s) or material condition(s) of the Plan, the Stockholders Agreement, any Award Agreement or any other agreement between such Participant and the Company or any of its affiliates, provided that, the events described in subsection (iv) and (v) shall not constitute "Cause" unless the Chief Executive Officer or President of the Company notifies such Participant of the events deemed to constitute Cause and such Participant fails to correct such events within 15 business days after written notice is given.

(g) "***Change in Control***" means (i) the sale of all or substantially all of the assets of the Company and its subsidiaries, on a consolidated basis, to any other person or entity (other than the Company or any of its subsidiaries, any of the Principal Stockholders, or any employee benefit plan maintained by the Company or any of its subsidiaries), or (ii) a change in beneficial ownership or control of the Company effected through a transaction or series of transactions (other than an offering of common stock or other securities to the general public through a registration statement filed with the Securities and

Exchange Commission) whereby any "person" or related "group" of "persons" (as such terms are used in Section 13(d) and 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) (other than the Company, any of its subsidiaries, any Principal Stockholder, or any employee benefit plan maintained by the Company or any of its subsidiaries), directly or indirectly acquires beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of securities of the Company possessing more than 50% of the total combined voting power of the Company's securities outstanding immediately after such acquisition. Notwithstanding the foregoing, if a Change in Control would give rise to a payment or settlement event with respect to any Award that constitutes "nonqualified deferred compensation," the transaction or event constituting the Change in Control must also constitute a "change in control event" (as defined in Treasury Regulation §1.409A-3(i)(5)) in order to give rise to the payment or settlement event for such Award, to the extent required by Section 409A.

(h) "***Code***" means the Internal Revenue Code of 1986, as amended, and the regulations issued thereunder.

(i) "***Committee***" means one or more committees or subcommittees of the Board, which may be comprised of one or more directors and/or executive officers of the Company, in either case, to the extent permitted in accordance with Applicable Laws.

(j) "***Common Stock***" means the common stock, $0.01 par value per share, of the Company.

(k) "***Company***" means LTF Holdings, Inc., a Delaware corporation, or any successor thereto. Except where the context otherwise requires, the term "Company" includes any of the Company's present or future parent or subsidiary corporations as defined in Sections 424(e) or (f) of the Code and any other business venture (including, without limitation, joint venture or limited liability company) in which the Company has a significant interest, as determined by the Administrator.

(l) "***Consultant***" means any person, including any advisor, engaged by the Company or a parent or subsidiary of the Company to render services to such entity if: (i) the consultant or adviser renders *bona fide* services to the Company; (ii) the services rendered by the consultant or advisor are not in connection with the offer or sale of securities in a capital-raising transaction and do not directly or indirectly promote or maintain a market for the Company's securities; and (iii) the consultant or advisor is a natural person, or such other advisor or consultant as is approved by the Administrator.

(m) "***Designated Beneficiary***" means the beneficiary or beneficiaries designated, in a manner determined by the Administrator, by a Participant to receive amounts due or exercise rights of the Participant in the event of the Participant's death or incapacity In the absence of an effective designation by a Participant, "Designated Beneficiary" shall mean the Participant's estate.

(n) "***Director***" means a member of the Board.

(o) "***Disability***" means a permanent and total disability within the meaning of Section 22(e)(3) of the Code, as it may be amended from time to time.

(p) "***Dividend Equivalents***" means a right granted to a Participant pursuant to Section 6(d)(3) hereof to receive the equivalent value (in cash or shares of Common Stock) of dividends paid on shares of Common Stock.

(q) "***Effective Date***" means the date on which the Plan becomes effective in accordance with Section 10(c) hereof.

(r) "***Employee***" means any person, including officers and Directors, employed by the Company (within the meaning of Section 3401(c) of the Code) or any parent or subsidiary of the Company.

(s) "***Equity Restructuring***" means, as determined by the Administrator, anon-reciprocal transaction between the Company and its stockholders, such as a stock dividend, stock split, spin-off or recapitalization through a large, nonrecurring cash dividend, that affects the shares of Common Stock (or other securities of the Company) or the share price of Common Stock (or other securities of the Company) and causes a change in the per share value of the Common Stock underlying outstanding Awards.

(t) "***Employment Agreement***" means the Executive Employment Agreement dated October 6, 2015 among the Company, Life Time Fitness, Inc. and Bahram Akradi.

(u) "***Exchange Act***" means the Securities Exchange Act of 1934, as amended.

(v) "***Fair Market Value***" means, as of any date, the value of a share of Common Stock determined as follows: (i) if the Common Stock is listed on any established stock exchange, its Fair Market Value shall be the closing sales price for such Common Stock as quoted on such exchange for such date, or if no sale occurred on such date, the first market trading day immediately prior to such date during which a sale occurred, as reported in The Wall Street Journal or such other source as the Administrator deems reliable; (ii) if the Common Stock is not traded on a stock exchange but is quoted on a national market or other quotation system, the last sales price on such date, or if no sales occurred on such date, then on the date immediately prior to such date on which sales prices are reported, as reported in The Wall Street Journal or such other source as the Administrator deems reliable; or (iii) in the absence of an established market for the Common Stock, the Fair Market Value thereof shall be determined by the Administrator in its sole discretion.

(w) "***Incentive Stock Option***" means an "incentive stock option" as defined in Section 422 of the Code.

(x) "***Non-Qualified Stock Option***" means an Option that is not intended to be or otherwise does not qualify as an Incentive Stock Option.

(y) "***Option***" means an option to purchase Common Stock.

(z) "***Other Stock-Based Awards***" means other Awards of shares of Common Stock, and other Awards that are valued in whole or in part by reference to, or are otherwise based on, shares of Common Stock or other property.

(aa) "***Participant***" means a Service Provider who has been granted an Award under the Plan.

(bb) "***Plan***" means this LTF Holdings, Inc. 2015 Equity Incentive Plan.

(cc) "***Principal Stockholders***" means Green Equity Investors VI, L.P., Green Equity Investors Side VI, L.P., and TPG Partners VII, L.P. and any of their respective affiliates.

(dd) "***Publicly Listed Company***" means that the Company or its successor (i) is required to file periodic reports pursuant to Section 12 of the Exchange Act and (ii) the Common Stock is listed on one or more National Securities Exchanges (within the meaning of the Exchange Act) or is quoted on NASDAQ or a successor quotation system.

(ee) "***Restricted Stock***" means Common Stock awarded to a Participant pursuant to Section 6 hereof that is subject to certain vesting conditions and other restrictions.

(ff) "***Restricted Stock Unit***" means an unfunded, unsecured right to receive, on the applicable settlement date, one share of Common Stock or an amount in cash or other consideration determined by the Administrator equal to the value thereof as of such payment date, which right may be subject to certain vesting conditions and other restrictions.

(gg) "***Section 409A***" means Section 409A of the Code and all regulations, guidance, compliance programs and other interpretative authority thereunder.

(hh) "***Securities Act***" means the Securities Act of 1933, as amended from time to time.

(ii) "***Service Provider***" means an Employee, Consultant or Director.

(jj) "***Stockholders Agreement***" means that certain Stockholders Agreement, dated as of June 10, 2015, by and among the Company, Green LTF Holdings II, LP, LTF Coinvest LP, TPG VII Magni SPV, L.P., TPG VII Magni Co-Invest, L.P., LNK Partners II, L.P., LNK Partners II (Parallel), L.P. and the persons listed on Schedule 1 attached thereto, as may be amended from time to time.

(kk) "***Termination of Service***" means the date the Participant ceases to be a Service Provider.

LTF HOLDINGS, INC.
2015 EQUITY INCENTIVE PLAN

CALIFORNIA SUPPLEMENT

The Administrator has adopted this supplement for purposes of satisfying the requirements of Section 25102(o) of the California Corporations Code and the regulations issued thereunder ("***Section 25102(o)***"). Notwithstanding anything to the contrary contained in the Plan and except as otherwise determined by the Administrator, the provisions set forth in this supplement shall apply to all Awards granted under the Plan to a Participant who is a resident of the State of California on the date of grant (a "***California Participant***") and which are intended to be exempt from registration in California pursuant to Section 25102(o). This supplement shall not apply to Awards granted to California Participants or after the date on which the Company becomes a Publicly Listed Company. Definitions in the Plan are applicable to this supplement.

1. *Additional Limitations On Options.*

(a) *Maximum Duration of Options.* No Options granted to California Participants will be granted for a term in excess of 10 years.

(b) *Minimum Exercise Period Following Termination.* Unless a California Participant's Service Provider relationship is terminated for Cause, in the event of termination of such Participant's Service Provider relationship, to the extent required by Applicable Law, he or she shall have the right to exercise an Option, to the extent that he or she was otherwise entitled to exercise such Option on the date employment terminated, as follows: (i) at least six months from the date of termination, if termination was caused by such Participant's death or Disability and (ii) at least 30 days from the date of termination, if termination was caused other than by such Participant's death or Disability.

2. Additional *Limitations* For Restricted Stock Awards, Restricted Stock Units and Other Stock-Based Awards. The terms of all Restricted Stock Awards, Restricted Stock Units and Other Stock-Based Awards granted to California Participants shall comply, to the extent applicable, with Section 260.140.41 or Section 260.140.42 of the California Code of Regulations.

3. *Adjustments*. The Administrator will make such adjustments to an Award held by a California Participant as may be required by Section 260.140.41 or Section 260.140.42 of the California Code of Regulation.

4. *Additional Requirement To Provide Information To California Participants.* To the extent required by Section 260.140.46 of the California Code of Regulations, the Company shall provide to each California Participant and to each California Participant who acquires Common Stock pursuant to the Plan, not less frequently than annually, copies of annual financial statements (which need not be audited). The Company shall not be required to provide such statements to key persons whose duties in connection with the Company assure their access to equivalent information. In addition, this information requirement shall not apply to the Plan to the extent that it complies with all conditions of Rule 701 of the Securities Act ("***Rule 701***") as determined by the Administrator; provided that for purposes of determining such compliance, any registered domestic partner shall be considered a "family member" as that term is defined in Rule 701.

5. *Stockholder Approval; Additional Limitations On Timing Of Awards.* The Plan will be submitted for the approval of the Company's stockholders within twelve (12) months after the date of the Board's adoption of the Plan. Awards may be granted or awarded prior to such stockholder approval; *provided* that no Award granted to a California Participant shall become exercisable, vested or realizable, as applicable to such Award, unless the Plan has been approved by the Company's stockholders within twelve months before or after the date the Plan was adopted by the Administrator; and provided, further, that if such approval has not been obtained at the end of said twelve month period, all Awards previously granted or awarded under the Plan to California Participants shall thereupon be canceled and become null and void.

AMENDMENT TO THE LTF HOLDINGS, INC. 2015 EQUITY INCENTIVE PLAN

This Amendment to the LTF Holdings, Inc. 2015 Equity Incentive Plan (as amended from time to time, the "Plan") was adopted by the Board of Directors of LTF Holdings, Inc., a Delaware corporation (the "Company"), effective as of April 20, 2021 (the "Amendment Date"), in accordance with Section 10(d) of the Plan:

1. Section 4(a) of the Plan shall be amended to read in its entirety as follows:

"4. ***Stock Available for Awards***.

(a) *Number of Shares; Shares Reserved for Specific Awards.* Subject to adjustment under Section 8 hereof, the aggregate number of shares of Common Stock subject to Awards under the Plan shall not exceed 30,645,618, plus an annual increase on the first day of each calendar year beginning on January 1, 2022 and ending on and including January 1, 2025, by a number equal to 1.5% of the fully diluted shares of Common Stock outstanding on the last day of the immediately preceding fiscal year; provided, however, no more than 26,795,000 shares may be issued upon the exercise of Incentive Stock Options (as hereinafter defined); provided, further, that no annual increase shall occur on or after the Company (or its successor) becomes a Publicly Listed Company. If any Award expires or lapses or is terminated, surrendered or canceled without having been fully exercised or is forfeited in whole or in part (including as the result of shares of Common Stock subject to such Award being repurchased by the Company at or below the original issuance price), in any case in a manner that results in any shares of Common Stock covered by such Award not being issued or being so reacquired by the Company, the unused Common Stock covered by such Award shall again be available for the grant of Awards under the Plan. Further, shares of Common Stock delivered (either by actual delivery or attestation) to the Company by a Participant to satisfy the applicable exercise or purchase price of an Award and/or to satisfy any applicable tax withholding obligation (including shares retained by the Company from the Award being exercised or purchased and/or creating the tax obligation) shall be added to the number of shares of Common Stock available for the grant of Awards under the Plan. However, in the case of Incentive Stock Options, the foregoing provisions shall be subject to any limitations under the Code. Shares of Common Stock issued under the Plan may consist in whole or in part of authorized but unissued shares, shares purchased on the open market or treasury shares."

2. Except as specifically provided for in this Amendment, the terms of the Plan shall be unmodified and shall remain in full force and effect.

* * * * *

NON-QUALIFIED STOCK OPTION AGREEMENT
OF
LTF HOLDINGS, INC.

THIS AGREEMENT (the "Agreement") is entered into as of [_____] (the "Grant Date") by and between LTF Holdings, Inc., a Delaware corporation (the "Company"), and [_____], an employee, consultant or director of the Company or one of its Subsidiaries (hereinafter referred to as, the "Optionee").

WHEREAS, the Board has approved the LTF Holdings, Inc. 2015 Equity Incentive Plan (as it may be amended from time to time, the Plan"), the terms of which are hereby incorporated by reference and made a part of this Agreement;

WHEREAS, the Administrator (as defined in the Plan) has determined that it would be to the advantage and best interest of the Company and its shareholders to grant the Non-Qualified Stock Option to purchase [____] shares of Common Stock (the 'Shares") as provided for herein to the Optionee as an inducement to enter into or remain in the service of the Company or one of its Subsidiaries and as an incentive for increased efforts during such service, and has advised the Company thereof and instructed the undersigned officers to issue said Option; and

WHEREAS, the Optionee has entered into the Stockholders Agreement (as defined in the Plan).

NOW, THEREFORE, in consideration of the mutual covenants contained herein, including those set forth in Article IV hereof, and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto do hereby agree as follows:

ARTICLE I.
DEFINITIONS

Whenever the following terms are used in this Agreement, they shall have the meaning specified below unless the context clearly indicates to the contrary. Capitalized terms used in this Agreement and not defined below shall have the meaning given such terms in the Plan. The singular pronoun shall include the plural, where the context so indicates.

Section 1.1 "Change of Control" shall mean (a) the sale of all or substantially all of the assets of the Company to any other person or entity (other than the Company, any of its Subsidiaries, any of the Principal Stockholders, or any employee benefit plan maintained by the Company or any of its Subsidiaries), or (b) a change in beneficial ownership or control of the Company effected through a transaction or series of transactions (other than an offering of Common Stock or other securities to the general public through a registration statement filed with the Securities and Exchange Commission) whereby any "person" or related "group" of "persons" (as such terms are used in Sections 13(d) and 14(d)(2) of the Exchange Act) (other than the Company, any of its Subsidiaries, any of the Principal Stockholders, or any employee benefit plan maintained by the Company or any of its Subsidiaries), directly or indirectly acquires beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of securities of the Company possessing more than 50% of the total combined voting power of such entity's securities outstanding immediately after such acquisition.

Section 1.2 "Common Stock" shall mean shares of common stock, par value $0.01, of LTF Holdings, Inc.

Section 1.3 "Company" shall, except as set forth in Article IV, have the meaning set forth in the preamble hereto.

Section 1.4 "Disability" shall mean "Disability" as defined in any written employment agreement between the Optionee and the Company or any of its Subsidiaries; *provided* that, in the absence of such an agreement containing such definition, "Disability" shall mean the Optionee has become physically or mentally incapacitated or disabled such that the Optionee is unable to perform for the Company substantially the same services as the Optionee performed prior to incurring such incapacity or disability, and such incapacity or disability exists for an aggregate of four (4) calendar months in any twelve (12) month period (as determined in good faith by the Administrator). In connection with making the Administrator's determination, the Company, at its option and expense, shall be entitled to select and retain a physician to confirm the existence of such incapacity or disability, and the determination made by such physician shall be binding on the parties for the purposes of this Agreement.

Section 1.5 "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

Section 1.6 "Good Reason" shall mean "Good Reason" as defined in any written employment agreement between the Optionee and the Company or any of its Subsidiaries; *provided* that, in the absence of such an agreement containing such definition, "Good Reason" shall mean, without the Optionee's express written consent, any of the following conditions shall occur, provided that none of the following conditions shall constitute Good Reason unless the Optionee first gives written notice to the Company within 90 days of the first occurrence of the condition, delineating the claimed facts or circumstances constituting Good Reason and setting forth the Optionee's intention to terminate the Optionee's employment if such breach is not duly remedied within 30 business days, and the Company fails to cure the condition within such 30-business day period:

(a) the Company has breached any material term(s) or material condition(s) of this Agreement, which breach was not caused by the Optionee; or

(b) the Company relocates its executive offices outside of a seventy-five (75) mile radius of its location as of the Grant Date, and the relocation results in a material change to the geographic location at which the Optionee performs services.

Section 1.7 "Grant Date" shall have the meaning set forth in the preamble hereto.

Section 1.8 "Initial Public Offering" shall mean an initial underwritten offering of Common Stock or securities of the Company or any affiliate of the Company to the general public through a registration statement filed with the Securities and Exchange Commission (other than on Form S-3 or S-8 or any similar successor form or another form used for a purpose similar to the intended use of any such form).

Section 1.9 "IPO Measurement Date" shall mean the first date following the expiration of the lock-up period applicable to the Optionee related to the Initial Public Offering.

Section 1.10 "Measurement Date" shall mean (a) the date of a Change of Control, (b) the IPO Measurement Date and (c) the Termination Measurement Date.

Section 1.11 "Membership Dues Revenue" shall mean the revenue received by the Company and its subsidiaries from membership dues as reported by the Company for the twelve month period commencing on [____] and ending on [____]. The amount of Membership Dues Revenue shall be determined by the Administrator in its sole and absolute discretion and any such determination by the Administrator shall be final, binding and conclusive on the Optionee and all other persons.

Section 1.12 "Membership Dues Revenue Determination Date" shall mean the date that the Administrator determines the amount of Membership Dues Revenue for 20[__], which in no event shall be later than 75 days following the end of fiscal year 20[__].

Section 1.13 "Option" shall mean the Non-Qualified Stock Option to purchase Common Stock granted under this Agreement.

Section 1.14 "Optionee" shall have the meaning set forth in the preamble hereto.

Section 1.15 "Plan" shall have the meaning set forth in the Recitals hereto.

Section 1.16 "Proprietary Information" shall mean (a) the name, address and/or contact information of any customer, supplier or affiliate of the Company or any information concerning the transactions or relations of any customer, supplier or affiliate of the Company or any of its shareholders; (b) any information concerning any product, service, technology or procedure offered or used by the Company or any of its affiliates, or under development by or being considered for use by the Company or any of its affiliates; (c) any information relating to marketing or pricing plans or methods, capital structure, or any business or strategic plans of the Company or any of its affiliates; (d) any inventions, innovations, trade secrets or other items covered by Sections 4.2 and 4.9; and (e) any other information which the Company or any of its affiliates has determined and communicated to the Optionee in writing to be proprietary information for purposes hereof; *provided*, *however*, that "Proprietary Information" shall not include any information that is or becomes generally known to the public other than through actions of the Optionee in violation of the restrictive covenants set forth in Article IV.

Section 1.17 "Restricted Period" shall mean the 18-month period following the Termination of Services Date.

Section 1.18 "Shares" shall have the meaning set forth in the Recitals.

Section 1.19 "Subsidiary" shall mean any entity (other than the Company), whether domestic or foreign, in an unbroken chain of entities beginning with the Company if each of the entities other than the last entity in the unbroken chain beneficially owns, at the time of the determination, securities or interests representing at least fifty percent (50%) of the total combined voting power of all classes of securities or interests in one of the other entities in such chain.

Section 1.20 "Termination Measurement Date" shall mean the date of the Optionee's Termination of Services due to death or Disability.

Section 1.21 "Termination of Services Date" shall mean the effective date of the Optionee's Termination of Services for any or no reason, including voluntary and involuntary termination of employment, consultancy or other service relationship (as determined by the Administrator).

Section 1.22 "Vested Option" shall mean, as of any date, the portion of the Option that has become vested on or prior to such date pursuant to Section 3.1(a) or (b) and has not been forfeited pursuant to Section 3.1(c) or otherwise.

ARTICLE II.
GRANT OF OPTION

Section 2.1 Grant of Option. In consideration of the Optionee's agreement to enter into or remain in the employ of, consultancy to or other service relationship with the Company or one of its Subsidiaries and for other good and valuable consideration, as of the Grant Date, the Company irrevocably grants to the Optionee the Option to purchase any part or all of an aggregate of [_____] Shares, upon the terms and conditions set forth in the Plan and this Agreement.

Section 2.2 Option Subject to Plan. The Option granted hereunder is subject to the terms and provisions of the Plan, including without limitation, Sections 5, 8, 9(a) and 10(d) thereof.

Section 2.3 Option Price. The purchase price of the Shares subject to the Option shall be $[_____] per share (without commission or other charge), which is not less than 100% of the Fair Market Value of a Share as of the Grant Date.

ARTICLE III.
VESTING AND EXERCISABILITY

Section 3.1 Vesting.

(a) Time Vesting Option. Subject to Section 3.1(c), 50% of the Option (the "Time Vesting Option") shall vest in four equal and cumulative installments on each of the first four anniversaries of the first calendar day of the month in which the Grant Date occurs; *provided* that the Optionee remains continuously employed or engaged in active service by the Company or any of its Subsidiaries (and no Termination of Services occurs) from the Grant Date through the applicable vesting date.

(b) Performance Vesting Option. Subject to Section 3.1(c), 50% of the Option (the "Performance Vesting Option") shall vest as provided below; *provided* that the Optionee remains continuously employed or engaged in active service by the Company from the Grant Date through the Membership Dues Revenue Determination Date, as follows:

(i) 50% of the Performance Vesting Option shall become vested as of the Membership Dues Revenue Determination Date if Membership Dues Revenue equals or exceeds $[***], but is less than $[***]; and

(ii) 100% of the Performance Vesting Option shall become vested as of the Membership Dues Revenue Determination Date if Membership Dues Revenue equals or exceeds $[***]. For the avoidance of doubt, if Membership Dues Revenue is less than $[***], the Performance Vesting Option shall be forfeited for no consideration and shall not thereafter become exercisable.

(c) Unless otherwise determined by the Administrator, (i) upon Termination of Services for any reason, any portion of the Option that has not become vested on or prior to the Termination of Services Date shall be forfeited on such date and shall not thereafter become vested or exercisable, and (ii) upon a Termination of Services by the Company for Cause, any portion of the Option that has become vested on or prior to the Termination of Services Date shall be forfeited on such date and shall not thereafter become exercisable. For the avoidance of doubt, no vested portion of the Option will be exercisable until the commencement of exercisability under Section 3.2.

Section 3.2 Commencement of Exercisability. Subject to Section 3.3, the Vested Option shall become exercisable on the occurrence of the first Measurement Date to occur following the Grant Date.

Section 3.3 Expiration of Option. The Option may not be exercised to any extent by anyone after the first to occur of the following events:

(a) The tenth anniversary of the Grant Date;

(b) The Termination of Services Date upon Termination of Services by the Company for Cause, immediately prior to such Termination of Services (and subject to such Termination of Services);

(c) Upon a Termination of Services by the Optionee without Good Reason (other than due to death or Disability), the later of (i) the six-month anniversary of such Termination of Services Date and (ii) the six-month anniversary of the first Measurement Date to occur following the Grant Date; or

(d) The date the Optionee first violates any of the restrictive covenants set forth in Article IV or any other written agreement by and between the Optionee and the Company or any of its affiliates.

Section 3.4 Partial Exercise. Any exercisable portion of the Vested Option or the entire Vested Option, if then wholly exercisable, may be exercised in whole or in part at any time prior to the time when the Vested Option or portion thereof becomes unexercisable; *provided, however,* that each partial exercise shall be for not less than 100 Shares and shall be for whole Shares only.

Section 3.5 Persons Eligible to Exercise. During the lifetime of the Optionee, only the Optionee may exercise the Option or any portion thereof. After the death of the Optionee, any exercisable portion of the Option may, prior to the time when the Option becomes unexercisable under Section 3.3, be exercised by the Optionee's personal representative or by any person empowered to do so under the deceased the Optionee's will or under the then applicable laws of descent and distribution.

Section 3.6 Manner of Exercise. The Option, or any exercisable portion thereof, may be exercised solely by delivery to the Secretary of the Company or the Secretary's office, or such other place as may be determined by the Administrator, of all of the following prior to the time when the Option or such portion thereof becomes unexercisable under Section 3.3:

(a) An exercise notice substantially in the form attached as Exhibit A hereto (or such other form as is prescribed by the Administrator) (the "Exercise Notice") in writing signed by the Optionee or any other person then entitled to exercise the Option or portion thereof, stating that the Option or portion thereof is thereby exercised, such notice complying with all applicable rules established by the Administrator; and

(b) Subject to Section 5(f) of the Plan:

(i) Full payment (in cash or by check) for the Shares with respect to which the Option or portion thereof is exercised; or

(ii) With the consent of the Administrator, by delivery of Shares then issuable upon exercise of the Option having a Fair Market Value on the date of delivery equal to the aggregate exercise price of the Option or exercised portion thereof; or

(iii) With the consent of the Administrator, through the (A) delivery by the Optionee to the Company of an irrevocable and unconditional undertaking by a broker acceptable to the Company to deliver promptly to the Company sufficient funds to pay the exercise price or (B) delivery by the Optionee to the Company or a copy of irrevocable and unconditional instructions to a broker acceptable to the Company to deliver promptly to the Company cash or a check sufficient to pay the exercise price; *provided* that payment is then made to the Company at such time as may be required by the Administrator; or

(iv) With the consent of the Administrator, any other method of payment permitted under the terms of the Plan; or

(v) Subject to any applicable laws, any combination of the consideration allowed under the foregoing paragraphs.

(c) The receipt by the Company of full payment for any applicable withholding tax in cash or by check or in the form of consideration to be agreed upon by the Optionee and the Administrator;

(d) A joinder or other agreement in the form provided by the Company signed by the Optionee or any other person then entitled to exercise the Option or portion thereof, stating that the Shares received upon exercise of the Option or portion thereof are subject to the terms of the Stockholder Agreement; and

(e) In the event the Option or portion thereof shall be exercised pursuant to Section 3.5 by any person or persons other than the Optionee, appropriate proof of the right of such person or persons to exercise the Option.

Section 3.7 Exercise of Option. The exercise of the Option shall be governed by the terms of this Agreement and the terms of the Plan, including, without limitation, the provisions of Section 5 of the Plan.

ARTICLE IV.
RESTRICTIVE COVENANTS

Section 4.1 Introduction. The parties acknowledge and agree that (a) the provisions and covenants contained in this Article IV (i) have been negotiated and are entered into in good faith as an ancillary agreement in connection with the grant of the Option contemplated by this Agreement, (ii) are material to this Agreement, (iii) are provided for, among other things, the protection of the Company's trade secrets, confidential and commercially-sensitive information, client and customer relationships, goodwill and reputation (which is an honest and just purpose), (iv) are reasonable in geographic and temporal scope and (v) do not impose a greater restriction or restraint than is necessary to protect the Company's trade secrets, confidential and commercially-sensitive information, client and customer relationships and contacts, goodwill, reputation and other legitimate business interests, (b) the Optionee (i) is employed or otherwise engaged as an independent contractor or other service provider by the Company, (ii) has been and/or will be provided with confidential and commercially-sensitive information regarding the Company and its business during his or her employment and/or service with the Company, and (iii) provides special, unique and extraordinary services to the Company, (c) the provisions of this Article IV do not adversely affect the Optionee's ability to earn a living in any capacity, stifle the Optionee's ability to use his or her inherent skills and experience, or otherwise impose undue hardship or oppression on the Optionee, and (d) the entitlement to the benefits provided to the Optionee under this Agreement, whether or not such benefits have vested and/or become exercisable, constitute sufficient consideration for all of the Optionee's covenants contained in this Article IV.

Section 4.2 Confidential Information. Except as permitted by the Board, during the term of the Optionee's employment and/or service with the Company and at all times thereafter, the Optionee shall not divulge, furnish or make accessible to anyone or use in any way other than in the ordinary course of the business of the Company, any confidential, proprietary or secret knowledge or information of the Company or any of its affiliates, whether developed by the Optionee or others, including but not limited to (a) trade secrets, (b) confidential and proprietary plans, developments, research, processes, designs, methods or material (whether or not patented or patentable), (c) customer and supplier lists, (d) strategic or other business, marketing or sales plans, (e) financial data and plans and (f) Proprietary Information. The Optionee acknowledges that the above-described knowledge and information constitute unique and valuable assets of the Company and represent a substantial investment of time and expense by the Company,

and that any disclosure or other use of such knowledge or information other than for the sole benefit of the Company would be wrongful and would cause irreparable harm to the Company. During the term of the Optionee's employment and/or service with the Company, the Optionee shall refrain from any acts or omissions that would reduce the value of such knowledge or information to the Company. The foregoing obligations of confidentiality shall not apply to any knowledge or information that (i) is now or subsequently becomes generally publicly known for reasons other than the Optionee's violation of this Agreement, (ii) is independently made available to the Optionee in good faith by a third party who has not violated a confidential relationship with the Company, or (iii) is required to be disclosed by legal process, other than as a direct or indirect result of the breach of this Agreement by the Optionee.

Section 4.3 Ventures. If, during the Optionee's employment and/or service with the Company, the Optionee is engaged in or associated with the planning or implementing of any project, program or venture involving the Company, all rights in such project, program or venture shall belong to the Company, as applicable. Except as approved in writing by the Board, the Optionee shall not be entitled to any interest in any such project, program or venture or to any commission, finder's fee or other compensation in connection therewith. The Optionee shall have no interest, direct or indirect, in any customer or supplier that conducts business with the Company, provided that a passive investment of less than 2.5% of the outstanding shares of capital stock of any customer or supplier listed on a national securities exchange or publicly traded in the over-the-counter market shall not constitute a breach of this sentence.

Section 4.4 Agreement Not to Compete. During the term of the Optionee's employment and/or service with the Company and during the Restricted Period, regardless of the reason for such termination and regardless of whether the termination is initiated by the Company or Optionee, the Optionee shall not, directly or indirectly, engage in any manner or capacity (including without limitation as a proprietor, owner, principal, agent, partner, officer, director, employee, member of any association, consultant or otherwise) in any Company Business (as defined below) in the Territory (as defined below). For purposes of this Article IV, (a) "Company" means LTF Holdings, Inc. and any parent, affiliated, related and/or direct or indirect subsidiary entity thereof, (b) "Company Business" means (i) the design, development, operation, management, advertisement, promotion, solicitation, marketing or sale of health and fitness clubs or health and fitness club memberships, (ii) any services, products or programs offered by health and fitness clubs, including but not limited to personal training, nutritional supplements; health testing or health assessments; wellness services or programs (whether direct to consumer or business to business); weight loss services or programs; kids activities; salons, spas, and medical spas; restaurants or cafes; athletic events and related services (including race timing and registration), and (iii) any other product or service that grows into a material business for the Company (or is under development and is projected to grow into a material business for the Company) as of the Optionee's Termination of Services Date, and (c) "Territory" means the United States, Canada and any other country in which the Company is then doing Company Business as of the Optionee's Termination of Services Date. Ownership by the Optionee, as a passive investment, of less than 2.5% of the outstanding shares of capital stock of any corporation listed on a national securities exchange or publicly traded in the over-the-counter market shall not constitute a breach of this Section 4.4.

Section 4.5 Agreement Not to Solicit or Hire Employees. During the term of the Optionee's employment and/or service with the Company and during the Restricted Period, regardless of the reason for such termination and regardless of whether the termination is initiated by the Company or Optionee, the Optionee shall not, in any manner or capacity (including without limitation as a proprietor, owner, principal, agent, partner, officer, director, stockholder, employee, member of any association, consultant or otherwise), directly or indirectly, hire, engage or solicit for the purpose of employing or otherwise engaging any person who is then an employee of the Company or who was an employee of the Company as of the Optionee's Termination of Services Date or at any time in the six-month period prior to such hiring, engagement or solicitation.

Section 4.6 Agreement Not to Solicit Business Relations. During the term of the Optionee's employment and/or service with the Company and during the Restricted Period, regardless of the reason for such termination and regardless of whether the termination is initiated by the Company or Optionee, the Optionee shall not, in any manner or capacity (including without limitation as a proprietor, owner, principal, agent, partner, officer, director, stockholder, employee, member of any association, consultant or otherwise), directly or indirectly, solicit, request, advise or induce any current or potential customer, member, supplier or other business contact of the Company to cancel, curtail or otherwise change its relationship with the Company.

Section 4.7 Blue Pencil Doctrine. If the duration of, the scope of or any business activity covered by any provision of this Article IV is found by a court of competent jurisdiction to be in excess of what is valid and enforceable under applicable law, such provision shall be construed to cover only that duration, scope or activity that is valid and enforceable, and all other provisions of this Article IV shall remain in full force and effect. The Optionee hereby acknowledges that this Article IV shall be given the construction that renders its provisions valid and enforceable to the maximum extent, not exceeding its express terms, possible under applicable law. Notwithstanding anything to the contrary, this Section 4.7 shall in no event apply to the extent its application would render this Article IV (or any portion thereof) unenforceable under applicable law.

Section 4.8 Return of Records and Property. On or within thirty (30) days of the Termination of Services Date or at any other time as required by the Company, the Optionee shall promptly deliver to the Company any and all Company records and any and all Company property in the Optionee's possession or under the Optionee's control, and all copies thereof, including without limitation manuals, books, blank forms, documents, letters, memoranda, notes, notebooks, reports, printouts, computer disks, computer tapes, source codes, data, tables or calculations, keys, access cards, access codes, passwords, credit cards, personal computers, telephones and other electronic equipment belonging to the Company, and shall also permanently delete all Company email, all Company customer, member, supplier or other business contacts' information, and all other Company information from the Optionee's computer, mobile phone and other electronic devices.

Section 4.9 Protectable Material; Trade Secrets.

(a) All right, title and interest in all discoveries, inventions, improvements, innovations and other material that the Optionee shall conceive or originate individually or jointly or commonly with others during the term of the Optionee's employment and/or service with the Company (i) that are directly related to the business of the Company or to the Company's actual or demonstrably anticipated research or development, or that results from any work performed by the Optionee for the Company, (ii) for which any equipment, supplies, facility or trade secret information of the Company was used and/or (iii) which was not developed entirely on the Optionee's own time, whether or not patentable, copyrightable, or registrable as a trademark ("Protectable Material"), shall be the property of the Company and are hereby assigned by the Optionee to the Company (and the Optionee agrees to assign all Protectable Material to the Company in the future), along with ownership of any and all patents, copyrights, trademarks and other intellectual property rights in the Protectable Material. Upon request and without further compensation therefor, but at no expense to the Optionee, the Optionee shall execute any and all papers and perform all other acts necessary to assist the Company to obtain and register patents, copyrights, trademarks and other intellectual property rights on the Protectable Materials in any and all countries. Where applicable, works of authorship created by the Optionee for the Company in performing the Optionee's duties and responsibilities hereunder shall be considered "works made for hire," as defined in the U.S. Copyright Act.

(b) All trade secret information conceived or originated by the Optionee that arises during the term of the Optionee's employment and/or service with the Company and out of the performance of the Optionee's duties and responsibilities to the Company or any related material or information shall be the property of the Company, and all rights therein are hereby assigned by the Optionee to the Company.

(c) Notwithstanding the foregoing, the Optionee understands that this Agreement does not require assignment of any invention to the extent such invention qualifies for protection under Section 181.78 of the 2015 Minnesota Statutes, as may be amended from time to time, and the current text of which is attached hereto as Annex 1 to Exhibit B. The Optionee hereby acknowledges that the Company has provided him or her with the notification set forth on Exhibit B (and the annex attached thereto) on the date hereof and the Optionee shall sign such notification as soon as reasonably practicable after the date hereof.

(d) Notwithstanding the foregoing, the Optionee understands that pursuant to the Defend Trade Secrets Act of 2016, the Optionee shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

Section 4.10 Non-Disparagement. The Optionee will not malign, defame or disparage the reputation, character, image, products or services of the Company, or the reputation or character of the Company's directors, officers, employees, shareholders or agents, either orally or in writing, at any time; *provided* that nothing in this Section 4.10 shall be construed to limit or restrict the Optionee from providing truthful information to the extent required by applicable law in connection with any legal proceeding, government investigation or other legal matter.

Section 4.11 Enforcement. The Optionee acknowledges that the provisions of Article IV are reasonable and necessary to protect the legitimate interests of the Company, and that any violation of those provisions by the Optionee would cause real, immediate, substantial and irreparable harm to the Company to such an extent that monetary damages alone would be an inadequate remedy therefor. Therefore, in the event of any actual or threatened breach of any provision of Article IV, the Company shall, in addition to any other remedies it may have, be entitled to injunctive and other equitable relief to enforce such provisions and to restrain the Optionee from violating or continuing to violate such provisions, and such relief may be granted without the necessity of proving actual monetary damages or posting bond. The Optionee agrees that the Restricted Period shall be tolled, and shall not run, during any period of time in which he or she is in violation of the terms of Section 4.4, 4.5 or 4.6, in order that the Company and its affiliates shall have all of the agreed-upon temporal protection recited herein. No breach of any provision of this Agreement by the Company, or any other claimed breach of contract or violation of law, or change in the nature or scope of the Optionee's employment and/or service relationship with the Company, shall operate to extinguish the Optionee's obligation to comply with Article IV. The Company (including, without limitation, its affiliates) are third party beneficiaries under this Agreement and shall have the right to enforce all of the Optionee's obligations to the Company under this Agreement, including without limitation pursuant to Article IV, and the Company shall be entitled to assign its rights under this Article IV without the Optionee's consent and any such assignees shall have the right to enforce all of the Optionee's obligations to comply with this Article IV. The Optionee covenants and agrees that he or she has received adequate consideration for his or her obligations contained in Article IV, and will not take the position that the covenants contained in Article IV are void for lack of consideration. The Optionee will be responsible for any and all attorneys' fees and costs the Company incurs in enforcing the Optionee's obligations contained in Article IV.

ARTICLE V.
OTHER PROVISIONS

Section 5.1 Not a Contract of Employment or Services. Nothing in this Agreement or in the Plan shall confer upon the Optionee any right to continue in the employ or engagement of the Company or any of its Subsidiaries or affiliates or shall interfere with or restrict in any way the rights of the Company and its Subsidiaries and affiliates, which are hereby expressly reserved, to discharge the Optionee at any time for any reason whatsoever, with or without Cause, except as may otherwise be provided by any written agreement entered into by and between the Company and the Optionee.

Section 5.2 Shares Subject to Plan and Stockholders Agreement; Entire Agreement. The Optionee acknowledges that any shares acquired upon exercise of the Option are subject to the terms of the Plan and the Stockholders Agreement. The terms of this Agreement are intended by the parties to be the final expression of their agreement with respect to the subject matter hereof and may not be contradicted by evidence of any prior or contemporaneous agreement. The parties further intend that this Agreement (together with the Plan and the Stockholders Agreement) shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever may be introduced in any judicial, administrative, or other legal proceeding to vary the terms of this Agreement.

Section 5.3 Construction. This Agreement shall be administered, interpreted and enforced under the internal laws of the State of Delaware, without regard to the principles of conflicts of law thereof, or principles of conflicts of law of any other jurisdiction which could cause the application of the laws of any jurisdiction other than the State of Delaware.

Section 5.4 Jurisdiction and Venue. The Optionee and the Company consent to jurisdiction of the courts of the State of Delaware and/or the United States District Court, District of Delaware, for the purpose of resolving all issues of law, equity, or fact, arising out of or in connection with this Agreement. Any action involving claims of a breach of this Agreement shall be brought in such courts. By execution and delivery of this Agreement, each party irrevocably consents to service of process out of any of the aforementioned courts in any such action or proceeding by the making of copies thereof by registered or certified mail, postage prepaid, or by recognized express carrier or delivery service, to the applicable party at his, her or its address referred to herein. Each of the parties hereto irrevocably waives any objection which he, she or it may not or hereafter have to the laying of venue for the purposes of all such suits arising out of or in connection with this Agreement, or any related agreement, certificate or instrument referred to above, and hereby further irrevocably waives and agrees, to the fullest extent permitted by applicable law, not to plead or claim in any such court that any such action or proceeding brought in any such court has been brought in an inconvenient forum. Each of the parties consents to personal jurisdiction over such party in the aforementioned courts and hereby waives any defense of lack of personal jurisdiction. Venue, for the purpose of all such suits, shall be exclusively in Wilmington, Delaware.

Section 5.5 Conformity to Securities Laws. The Optionee acknowledges that the Plan is intended to conform to the extent necessary with all provisions of the Securities Act and the Exchange Act and any and all regulations and rules promulgated thereunder by the Securities and Exchange Commission, including without limitation Rule 16b-3. Notwithstanding anything herein to the contrary, the Plan shall be administered, and the Option is granted and may be exercised, only in such a manner as to conform to such laws, rules and regulations. To the extent permitted by applicable law, the Plan and this Agreement shall be deemed amended to the extent necessary to conform to such laws, rules and regulations.

Section 5.6 Amendment. The Option may be wholly or partially amended at any time or from time to time by the Administrator in its discretion; *provided* that if such amendment materially impairs the rights of the Optionee hereunder, no such amendment shall be effective until consented to in writing by the Optionee.

Section 5.7 Stockholder Approval.

(a) Except as otherwise provided in Section 5.7(b), in the event that the Company determines that any right to receive the Option or payment or other benefit under this Agreement (including, without limitation, the acceleration of the vesting and/or exercisability of the Option and taking into account the effect of this Section) or any other agreement by and between the Optionee and the Company, to or for the benefit of the Optionee (the "Payments"), would, in whole or part when aggregated with any other right, payment or benefit to or for the Optionee under all other agreements or benefit plans of the Company, be nondeductible by the Company (or other person making such payment or providing such benefit) as a result of Section 280G of the Code and/or would subject the Optionee to the excise tax imposed by Section 4999 of the Code (the "Excise Tax") then, to the extent necessary to make the Payments deductible and to exempt the Payments from the Excise Tax (but only to such extent and after taking into account any reduction in the Payments relating to Section 280G of the Code under any other plan, arrangement or agreement), the Option or any other right, payment or benefit under this Agreement shall not become exercisable, vested or paid.

(b) Notwithstanding any other provision of this Agreement, the provisions of Section 5.7(a) shall not apply to reduce the Payments if the Payments that would otherwise be nondeductible under Section 280G of the Code and/or would subject the Optionee to the Excise Tax are disclosed to and approved by the Company's stockholders in accordance with Section 280G(b)(5)(B) of the Code and the Department of Treasury regulations thereunder.

(c) The Company shall use commercially reasonable efforts to prepare and deliver to its stockholders the disclosure required by Section 280G(b)(5)(B) of the Code with respect to the Payments and to seek the approval of the Company's stockholders in accordance with Section 280G(b)(5)(B) of the Code and the Department of Treasury regulations thereunder.

Section 5.8 Section 409A. The Company shall undertake to administer, interpret and construe this Agreement in a manner that does not result in the imposition on the Optionee of any additional tax, penalty or interest under Section 409A, and to comply with Section 409A to the extent applicable. Notwithstanding any provision of this Agreement to the contrary, in the event that the Company determines in good faith that any provision of this Agreement would cause the Optionee to incur an additional tax, penalty or interest under Section 409A, the Company and Optionee shall cooperate in good faith to (a) adopt such amendments to this Agreement and appropriate policies and procedures, including amendments and policies with retroactive effect, as the Company and Optionee determine to be necessary or appropriate to preserve the intended tax treatment of the benefits provided by this Agreement, to preserve the economic benefits of this Agreement and to avoid less favorable accounting or tax consequences for the Company and/or (b) take such other actions as the Company and Optionee determine to be necessary or appropriate to exempt the amounts payable hereunder from Section 409A or to comply with the requirements of Section 409A and thereby avoid the application of penalty taxes thereunder. No provision of this Agreement shall be interpreted or construed to transfer any liability for failure to comply with the requirements of Section 409A from the Optionee or any other individual to the Company or any of its affiliates, employees or agents.

Section 5.9 Tax Consultation. The Optionee acknowledges and agrees that his or her entry into this Agreement and participation in the Plan is voluntary and there may be tax consequences as a result of his or her receipt of the Option and/or the purchase or disposition of the Shares underlying the Option. The Optionee represents that he or she (a) has consulted with any tax consultants he or she deems advisable in connection with this Agreement, the receipt of the Option, and the purchase or disposition of the Shares underlying the Option, and (b) is not relying on the Company for any tax advice. The Optionee is relying solely on such advisors and not on any statements or representations of the Company or any of its agents. The Optionee understands that he or she (and not the Company) shall be solely responsible for the Optionee's tax liability that may arise as a result of this investment or the transactions contemplated by this Agreement.

[signature page follows]

IN WITNESS WHEREOF, this Agreement has been executed and delivered by the parties hereto as of the date first above written.

LTF HOLDINGS, INC.

By: _____

Its: _____

OPTIONEE

_____

[Optionee Name]

Residence Address:

_____

_____

Optionee's Social Security Number:

_____

EXHIBIT A

TO STOCK OPTION AGREEMENT

FORM OF EXERCISE NOTICE

Effective as of today, _____, _____, the undersigned *("**Optionee**")* hereby elects to exercise Optionee's option to purchase_____ Shares of LTF Holdings, Inc. (the "***Company***") under and pursuant to the LTF Holdings, Inc. 2015 Equity Incentive Plan (the "***Plan***") and the Non-Qualified Stock Option Agreement dated _____, 20[[__] (the "***Option Agreement***", and such election to exercise, the "***Exercise Notice***"). Capitalized terms used herein without definition shall have the meanings given in the Option Agreement.

Grant Date:	_____
Number of Shares as to which Option is Exercised:	_____
Exercise Price per Share:	$_____
Total Exercise Price:	$_____
Certificate to be issued in name of:	_____
Cash Payment delivered herewith:	$_____ (Representing the full Exercise Price for the Shares, as well as any applicable withholding tax)

Type of Option: ¨ Incentive Stock Option ¨ Non-Qualified Stock Option

1. Representations of Optionee. Optionee acknowledges that Optionee has received, read and understood the Plan and the Option Agreement. Optionee agrees to abide by and be bound by their terms and conditions.

2. Tax Consultation. Optionee understands that Optionee may suffer adverse tax consequences as a result of Optionee's purchase or disposition of the Shares. Optionee represents that Optionee has consulted with any tax consultants Optionee deems advisable in connection with the purchase or disposition of the Shares and that Optionee is not relying on the Company for any tax advice. Optionee is relying solely on such advisors and not on any statements or representations of the Company or any of its agents. Optionee understands that Optionee (and not the Company) shall be responsible for Optionee's tax liability that may arise as a result of this investment or the transactions contemplated by this Exercise Notice.

3. Restrictive Legends and Stop-Transfer Orders.

(a) Legends. Optionee understands and agrees that the Company shall cause any certificates issued evidencing the Shares to have the legends set forth below or legends substantially equivalent thereto, together with any other legends that may be required by state or federal securities laws:

> THE SHARES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED ("ACT"), NOR HAVE THEY BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE. NO TRANSFER OF SUCH SECURITIES WILL BE PERMITTED UNLESS

A REGISTRATION STATEMENT UNDER THE ACT IS IN EFFECT AS TO SUCH TRANSFER, THE TRANSFER IS MADE IN ACCORDANCE WITH RULE 144 UNDER THE ACT, OR IN THE OPINION OF COUNSEL (WHICH MAY BE COUNSEL FOR THE COMPANY) REGISTRATION UNDER THE ACT IS UNNECESSARY IN ORDER FOR SUCH TRANSFER TO COMPLY WITH THE ACT AND WITH APPLICABLE STATE SECURITIES LAWS.

THE SHARES REPRESENTED BY THIS CERTIFICATE MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF AN AGREEMENT BETWEEN THE COMPANY AND THE STOCKHOLDER, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY. SUCH TRANSFER RESTRICTIONS ARE BINDING ON TRANSFEREES OF THESE SHARES.

(b) Optionee agrees that, in order to ensure compliance with the restrictions referred to herein, the Company may issue appropriate "stop transfer" instructions to its transfer agent, if any, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

(c) The Company shall not be required (i) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of the Option Agreement or the Stockholders Agreement or (ii) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such Shares shall have been so transferred.

4. Further Instruments. Optionee hereby agrees to execute such further instruments and to take such further action as the Company determines are reasonably necessary to carry out the purposes and intent of the Option Agreement and this Exercise Notice.

5. Entire Agreement. The Plan, the Option Agreement and the Stockholders Agreement are incorporated herein by reference. This Exercise Notice, the Plan, the Option Agreement and the Stockholders Agreement constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Optionee with respect to the subject matter hereof.

ACCEPTED BY: **LTF HOLDINGS, INC.**		**SUBMITTED BY** **OPTIONEE:**	
By:	_____	By:	_____
Print Name:	_____	Print Name:	_____
Title:	_____	Address:	_____
			_____

EXHIBIT B

TO STOCK OPTION AGREEMENT

LIMITED EXCLUSION NOTIFICATION

THIS IS TO NOTIFY YOU that, notwithstanding anything to the contrary in that certainNon-Qualified Stock Option Agreement between you and LTF Holdings, Inc. (the "Company"), dated as of [Date] (the "Option Agreement"), the Option Agreement does not require assignment of any invention to the extent such invention qualifies for protection under Section 181.78 of the 2015 Minnesota Statutes, as may be amended from time to time. The current text of the aforementioned statute is attached hereto as Annex 1.

I, _____, acknowledge receipt of a copy of this notification (and the annex thereto).

_____

_____
Date

Annex 1

Section 181.78 of the 2015 Minnesota Statutes

As of the date of this Agreement, Section 181.78 of the 2015 Minnesota Statutes is as follows:

181.78 AGREEMENTS; TERMS RELATING TO INVENTIONS.

Subdivision 1. **Inventions not related to employment**. Any provision in an employment agreement which provides that an employee shall assign or offer to assign any of the employee's rights in an invention to the employer shall not apply to an invention for which no equipment, supplies, facility or trade secret information of the employer was used and which was developed entirely on the employee's own time, and (1) which does not relate (a) directly to the business of the employer or (b) to the employer's actual or demonstrably anticipated research or development, or (2) which does not result from any work performed by the employee for the employer. Any provision which purports to apply to such an invention is to that extent against the public policy of this state and is to that extent void and unenforceable.

Subd. 2. **Effect of subdivision 1**. No employer shall require a provision made void and unenforceable by subdivision 1 as a condition of employment or continuing employment.

Subd. 3. **Notice to employee**. If an employment agreement entered into after August 1, 1977 contains a provision requiring the employee to assign or offer to assign any of the employee's rights in any invention to an employer, the employer must also, at the time the agreement is made, provide a written notification to the employee that the agreement does not apply to an invention for which no equipment, supplies, facility or trade secret information of the employer was used and which was developed entirely on the employee's own time, and (1) which does not relate (a) directly to the business of the employer or (b) to the employer's actual or demonstrably anticipated research or development, or (2) which does not result from any work performed by the employee for the employer.

NON-QUALIFIED STOCK OPTION AGREEMENT
OF
LTF HOLDINGS, INC.

THIS AGREEMENT (the "Agreement") is entered into as of [_____] (the "Grant Date") by and between LTF Holdings, Inc., a Delaware corporation (the "Company"), and [_____], an employee, consultant or director of the Company or one of its Subsidiaries (hereinafter referred to as, the "Optionee").

WHEREAS, the Board has approved the LTF Holdings, Inc. 2015 Equity Incentive Plan (as it may be amended from time to time, the Plan"), the terms of which are hereby incorporated by reference and made a part of this Agreement;

WHEREAS, the Administrator (as defined in the Plan) has determined that it would be to the advantage and best interest of the Company and its shareholders to grant the Non-Qualified Stock Option to purchase [____] shares of Common Stock (the 'Shares") as provided for herein to the Optionee as an inducement to enter into or remain in the service of the Company or one of its Subsidiaries and as an incentive for increased efforts during such service, and has advised the Company thereof and instructed the undersigned officers to issue said Option; and

WHEREAS, the Optionee has entered into the Stockholders Agreement (as defined in the Plan).

NOW, THEREFORE, in consideration of the mutual covenants contained herein, including those set forth in Article IV hereof, and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto do hereby agree as follows:

ARTICLE I.
DEFINITIONS

Whenever the following terms are used in this Agreement, they shall have the meaning specified below unless the context clearly indicates to the contrary. Capitalized terms used in this Agreement and not defined below shall have the meaning given such terms in the Plan. The singular pronoun shall include the plural, where the context so indicates.

Section 1.1 "Cash Equivalents" shall mean (a) securities issued or directly and fully guaranteed or insured by the full faith and credit of the United States government; (b) certificates of deposit or bankers acceptances with maturities of one year or less from institutions with at least $1 billion in capital and surplus and whose long-term debt is rated at least "A-1" by Moody's or the equivalent by Standard & Poor's; (c) commercial paper issued by a corporation rated at least "A-1" by Moody's or the equivalent by Standard & Poor's and in each case maturing within one year; and (d) investment funds investing at least ninety-five percent (95%) of their assets in cash or assets of the types described in clauses (a) through (c) above.

Section 1.2 "Cash Proceeds" shall mean, with respect to a Measurement Date, the actual cash proceeds received by the Principal Stockholders in respect of the Investment on or prior to such Measurement Date (other than any cash proceeds received by a Principal Stockholder at any time from an affiliate thereof), including (a) any cash dividends, cash distributions or cash interest made or paid by the Company or any of its Subsidiaries in respect of the Investment (but excluding any management and similar fees or other amounts payable that are not directly attributable to the Investment) and (b) any cash or Cash Equivalents received for the disposal of any portion of the Investment (including, without limitation, any cash or Cash Equivalents received by the Principal Stockholders upon the conversion of Non-Cash Proceeds realized by the Principal Stockholders on the Investment on or prior to such Measurement Date).

Section 1.3 "Change of Control" shall mean (a) the sale of all or substantially all of the assets of the Company to any other person or entity (other than the Company, any of its Subsidiaries, any of the Principal Stockholders, or any employee benefit plan maintained by the Company or any of its Subsidiaries), or (b) a change in beneficial ownership or control of the Company effected through a transaction or series of transactions (other than an offering of Common Stock or other securities to the general public through a registration statement filed with the Securities and Exchange Commission) whereby any "person" or related "group" of "persons" (as such terms are used in Sections 13(d) and 14(d)(2) of the Exchange Act) (other than the Company, any of its Subsidiaries, any of the Principal Stockholders, or any employee benefit plan maintained by the Company or any of its Subsidiaries), directly or indirectly acquires beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of securities of the Company possessing more than 50% of the total combined voting power of such entity's securities outstanding immediately after such acquisition.

Section 1.4 "Common Stock" shall mean shares of common stock, par value $0.01, of LTF Holdings, Inc.

Section 1.5 "Company" shall, except as set forth in Article IV, have the meaning set forth in the preamble hereto.

Section 1.6 "Disability" shall mean "Disability" as defined in any written employment agreement between the Optionee and the Company or any of its Subsidiaries; *provided* that, in the absence of such an agreement containing such definition, "Disability" shall mean the Optionee has become physically or mentally incapacitated or disabled such that the Optionee is unable to perform for the Company substantially the same services as the Optionee performed prior to incurring such incapacity or disability, and such incapacity or disability exists for an aggregate of four (4) calendar months in any twelve (12) month period (as determined in good faith by the Administrator). In connection with making the Administrator's determination, the Company, at its option and expense, shall be entitled to select and retain a physician to confirm the existence of such incapacity or disability, and the determination made by such physician shall be binding on the parties for the purposes of this Agreement.

Section 1.7 "Effective Date" shall mean the date of the consummation of the transactions contemplated by that certain Agreement and Plan of Merger among Life Time, LTF Holdings, LTF Merger Sub, Inc., dated as of March 15, 2015.

Section 1.8 "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

Section 1.9 "Good Reason" shall mean "Good Reason" as defined in any written employment agreement between the Optionee and the Company or any of its Subsidiaries; provided that, in the absence of such an agreement containing such definition, "Good Reason" shall mean, without the Optionee's express written consent, any of the following conditions shall occur, provided that none of the following conditions shall constitute Good Reason unless the Optionee first gives written notice to the Company within 90 days of the first occurrence of the condition, delineating the claimed facts or circumstances constituting Good Reason and setting forth the Optionee's intention to terminate the Optionee's employment if such breach is not duly remedied within 30 business days, and the Company fails to cure the condition within such 30-business day period:

(a) the Company has breached any material term(s) or material condition(s) of this Agreement, which breach was not caused by the Optionee; or

(b) the Company relocates its executive offices outside of a seventy-five (75) mile radius of its location as of the Grant Date, and the relocation results in a material change to the geographic location at which the Optionee performs services.

Section 1.10 "Grant Date" shall have the meaning set forth in the preamble hereto.

Section 1.11 "Initial Public Offering" shall mean an initial underwritten offering of Common Stock or securities of any of affiliates of the Company to the general public through a registration statement filed with the Securities and Exchange Commission (other than on Form S-3, S-4 or S-8 or any similar successor form or another form used for a purpose similar to the intended use of any such form).

Section 1.12 "Investment" shall mean the aggregate investment of funds (and the fair market value of any property contributed as of the time of such contribution) by the Principal Stockholders in exchange for equity securities of the Company and its Subsidiaries.

Section 1.13 "Investment Hurdle" shall have the meaning set forth in Section 3.2(d).

Section 1.14 "IPO Date" shall mean the effective date of an Initial Public Offering.

Section 1.15 "IPO Measurement Date" shall mean each date following the expiration of the lock-up period applicable to the Optionee related to the Initial Public Offering as of which the Principal Stockholders have received Cash Proceeds in connection with the Investment equal to or exceeding the amount of the Investment.

Section 1.16 "IRR Exercisable Amount" shall have the meaning set forth in Section 3.2(a)(ii).

Section 1.17 "Measurement Date" shall mean (a) the date of the first Change in Control following the Effective Date, (b) each IPO Measurement Date and (c) the Termination Measurement Date.

Section 1.18 "MOIC Exercisable Amount" shall have the meaning set forth in Section 3.2(a)(i).

Section 1.19 "Non-Cash Proceeds" shall mean all actual proceeds received by the Principal Stockholders in respect of the Investment on or prior to the Measurement Date (other than any proceeds received by a Principal Stockholder at any time from an affiliate thereof) which do not constitute Cash Proceeds.

Section 1.20 "Option" shall mean the Non-Qualified Stock Option to purchase Common Stock granted under this Agreement.

Section 1.21 "Optionee" shall have the meaning set forth in the preamble hereto.

Section 1.22 "Plan" shall have the meaning set forth in the Recitals hereto.

Section 1.23 "Principal Stockholder IRR" shall mean the annual, compounded internal rate of return achieved, as of the date of the first Change of Control following the Effective Date, by the Principal Stockholders in respect of the Investment, which internal rate of return shall be based on the amount of all Proceeds received by the Principal Stockholders (after taking into account the vesting and exercisability of the Option and any other equity awards granted by the Company). Principal Stockholder IRR shall be calculated using the XIRR function in the most recent version of Microsoft Excel (or if such program is no longer available, such other software program for calculating internal rate of return proposed by the Company and reasonably acceptable to the Board).

Section 1.24 "Principal Stockholder MOIC" shall mean the "multiple of invested capital" received by the Principal Stockholders on the Investment, which shall be equal to:

(a) as of the first Change of Control following the Effective Date, the ratio of (i) the amount of all Proceeds received by the Principal Stockholders with respect to the Investment on or prior to such Change of Control (after taking into account the vesting and exercisability of the Option and any other equity awards granted by the Company), to (ii) the amount of the Investment on or prior to such Change of Control;

(b) as of each IPO Measurement Date, the ratio of (i) the amount of all actual Proceeds received by the Principal Stockholders with respect to the Investment on or prior to such IPO Measurement Date, to (ii) the amount of the Investment on or prior to such IPO Measurement Date; and

(c) as of the Termination Measurement Date, the ratio of (i) the amount of all Proceeds received by the Principal Stockholders with respect to the Investment on or prior to such Termination Measurement Date, to (ii) the amount of the Investment on or prior to the Termination Measurement Date.

Section 1.25 "Proceeds" shall mean:

(a) with respect to each IPO Measurement Date, the sum of the Cash Proceeds and the fair market value ofNon-Cash Proceeds; *provided, however*, that if the Principal Stockholders retain publicly-traded equity securities of the Company or any of its affiliates following an Initial Public Offering, the fair market value of any such securities held as of an IPO Measurement Date (calculated based on the average closing price per share of such equity securities for the thirty (30)-day period immediately preceding such IPO Measurement Date) shall be deemedNon-Cash Proceeds for purposes of calculating the Proceeds as of such IPO Measurement Date;

(b) with respect to the first Change in Control after the Effective Date, the Cash Proceeds and the fair market value ofNon-Cash Proceeds received on or prior to such Change of Control, after taking into account, to the extent applicable, all post-closing adjustments relating to such Change of Control, and assuming the exercise of all vested and exercisable options and warrants outstanding as of the effective date of such Change of Control (after giving effect to any dilution of securities or instruments arising in connection with such Change of Control); *provided*, *however*, that (i) if the Principal Stockholders retain any portion of an Investment following a Change of Control, the fair market value of such portion of the Investment as of such Change of Control shall be deemed Non-Cash Proceeds for purposes of calculating the Proceeds, (ii) the fair market value of anyNon-Cash Proceeds (including stock) received in connection with a Change of Control shall be determined by the Board in good faith as of the date of such Change of Control, and (iii) in the event that the receipt of any portion of the Proceeds by the Principal Stockholders is delayed beyond the date of the applicable Change of Control and made subject to any contingencies or potential post-closing adjustments, such as an escrow arrangement, the Proceeds shall include an estimate, determined as of or prior to the date of the Change of Control by the Board in good faith of the fair market value of such portion of the Proceeds (rather than the actual amounts ultimately received, if any, with respect to such portion of the Proceeds); and

(c) with respect to the Termination Measurement Date, the Cash Proceeds and the fair market value ofNon-Cash Proceeds received on or prior to such Termination Measurement Date; *provided*, *however*, that (i) if the Principal Stockholders retain any portion of an Investment following the Termination Measurement Date, the fair market value of such portion of the Investment as of the Termination Measurement Date shall be deemed Non-Cash Proceeds for purposes of calculating the Proceeds and (ii) the fair market value of anyNon-Cash Proceeds shall be determined by the Board in good faith as of the Termination Measurement Date.

Section 1.26 "Proprietary Information" shall mean (a) the name, address and/or contact information of any customer, supplier or affiliate of the Company or any information concerning the transactions or relations of any customer, supplier or affiliate of the Company or any of its shareholders; (b) any information concerning any product, service, technology or procedure offered or used by the Company or any of its affiliates, or under development by or being considered for use by the Company or any of its affiliates; (c) any information relating to marketing or pricing plans or methods, capital structure, or any business or strategic plans of the Company or any of its affiliates; (d) any inventions, innovations, trade secrets or other items covered by Sections 4.2 and 4.9; and (e) any other information which the Company or any of its affiliates has determined and communicated to the Optionee in writing to be proprietary information for purposes hereof; *provided*, *however*, that "Proprietary Information" shall not include any information that is or becomes generally known to the public other than through actions of the Optionee in violation of the restrictive covenants set forth in Article IV.

Section 1.27 "Restricted Period" shall mean the 18-month period following the Termination of Service Date.

Section 1.28 "Shares" shall have the meaning set forth in the Recitals.

Section 1.29 "Termination Measurement Date" shall mean the date of the Optionee's Termination of Service due to death or Disability prior to the first Change in Control following the Effective Date. For the avoidance of doubt, no such date shall occur on or after the first Change in Control following the Effective Date.

Section 1.30 "Termination of Service Date" shall mean the effective date of the Optionee's Termination of Service for any or no reason, including voluntary and involuntary termination of employment, consultancy or other service relationship (as determined by the Administrator).

Section 1.31 "Vested Option" shall mean, as of any date, the portion of the Option that has become vested on or prior to such date pursuant to Section 3.1(a) or (b) and has not been forfeited pursuant to Section 3.1(c) or otherwise. For the avoidance of doubt, the Vested Option as of the date of a Change of Control, shall be determined after taking into account any vesting pursuant to Section 3.1(b).

ARTICLE II.
GRANT OF OPTION

Section 2.1 Grant of Option. In consideration of the Optionee's agreement to enter into or remain in the employ of, consultancy to or other service relationship with the Company or one of its Subsidiaries and for other good and valuable consideration, as of the Grant Date, the Company irrevocably grants to the Optionee the Option to purchase any part or all of an aggregate of [_____] Shares, upon the terms and conditions set forth in the Plan and this Agreement.

Section 2.2 Option Subject to Plan. The Option granted hereunder is subject to the terms and provisions of the Plan, including without limitation, Section 5, 8, 9(a) and 10(d) thereof.

Section 2.3 Option Price. The purchase price of the Shares subject to the Option shall be $[_____] per share (without commission or other charge), which is not less than 100% of the Fair Market Value of a Share as of the Grant Date.

ARTICLE III.
VESTING AND EXERCISABILITY

Section 3.1 Vesting.

(a) Subject to Sections 3.1(b) and (c), the Option shall vest in five equal and cumulative installments on each of the first five anniversaries of [_____][1]; *provided* that the Optionee remains continuously employed or engaged in active service by the Company or any of its Subsidiaries (and no Termination of Service occurs) from the Grant Date through the applicable vesting date.

(b) Notwithstanding Section 3.1(a) (but subject to Section 3.1(c)), upon the consummation of a Change of Control or an Initial Public Offering, the Option shall become fully vested immediately prior to the effective date of such Change in Control or upon the effectiveness of such Initial Public Offering, as applicable; *provided* that the Optionee remains continuously employed or engaged in active service by the Company or any of its Subsidiaries (and no Termination of Service occurs) from the Grant Date through the consummation of such Change of Control or the effectiveness of such Initial Public Offering, as applicable.

(c) Unless otherwise determined by the Administrator, (i) upon Termination of Service for any reason, any portion of the Option that has not become vested on or prior to the Termination of Service Date shall be forfeited on such date and shall not thereafter become vested or exercisable, and (ii) upon a Termination of Service by the Optionee without Good Reason or by the Company for Cause, any portion of the Option that has become vested on or prior to the Termination of Service Date shall be forfeited on such date and shall not thereafter become exercisable. For the avoidance of doubt, no vested portion of the Option will be exercisable until the commencement of exercisability under Section 3.2.

Section 3.2 Commencement of Exercisability.

(a) Subject to Sections 3.2(b), 3.2(d) and 3.3, the Vested Option, as of each Measurement Date, shall become exercisable on such Measurement Date (and, with respect to a Measurement Date that is a Change of Control, immediately prior to such Change of Control) with respect to a number of Shares equal to the excess of (1) the MOIC Exercisable Amount (as defined below) for such Measurement Date (or, with respect to a Measurement Date that is a Change of Control, the IRR Exercisable Amount (as defined below) for such Measurement Date, if greater), over (2) the number of Shares with respect to the Option that had become exercisable prior to such Measurement Date:

(i) *MOIC Exercisable Amount.* For purposes of this Agreement, the "MOIC Exercisable Amount" shall, with respect to a Measurement Date, equal:

(A) No Shares subject to the Vested Option (as of such Measurement Date) if, as of such Measurement Date, the Principal Stockholder MOIC is less than 2.0;

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1 To include "December 31, 2015" for the initial grants approved by the Compensation Committee or the Incentive Subcommittee. For any grants after the initial grants, to include "the first calendar day of the month in which the Grant Date occurs."

(B) One-third of the shares subject to the Vested Option (as of such Measurement Date) if, as of such Measurement Date, the Principal Stockholder MOIC equals or exceeds 2.0, but is less than 2.5;

(C) Two-third of the shares subject to the Vested Option (as of such Measurement Date) if, as of such Measurement Date, the Principal Stockholder MOIC equals or exceeds 2.5, but is less than 3.0; or

(D) All of the shares subject to the Vested Option (as of such Measurement Date) if, as of such Measurement Date, the Principal Stockholder MOIC equals or exceeds 3.0.

(ii) *IRR Exercisable Amount.* For purposes of this Agreement, the "IRR Exercisable Amount" shall, with respect to a Measurement Date that is a Change of Control, equal:

(A) No Shares subject to the Vested Option (as of such Measurement Date) if, as of such Measurement Date, the Principal Stockholder IRR is less than 20%;

(B) One-half of the shares subject to the Vested Option (as of such Measurement Date) if, as of such Measurement Date the Principal Stockholder IRR equals or exceeds 20%, but is less than 25%; or

(C) All of the shares subject to the Vested Option (as of such Measurement Date) if, as of such Measurement Date, the Principal Stockholder IRR equals or exceeds 25%.

(iii) For the avoidance of doubt, the IRR Exercisable Amount shall not apply with respect to any Measurement Date that does not occur on the date of a Change of Control (i.e., no portion of the Option will be eligible to become exercisable based on Principal Stockholder IRR on an Initial Public Offering or any Measurement Date thereafter or the Termination Measurement Date).

(b) Unless otherwise determined by the Administrator, no portion of the Option which is unexercisable after the earlier of (i) the Measurement Date following which the Principal Stockholders no longer hold any Investment or (ii) the date of the first Change of Control following the Effective Date shall thereafter become exercisable (and such unexercisable portion shall be canceled automatically for no consideration on the earliest of such dates).

(c) The Board shall make the determination as to whether the targets for any Principal Stockholder MOIC and Principal Stockholder IRR for any Measurement Date have been met and shall determine the extent, if any, to which the Option has become exercisable on such Measurement Date.

(d) For the avoidance of doubt, and without limiting (and subject to compliance with) Sections 1.23 and 1.24, if, upon a Measurement Date, the exercisability of the Option (or portion thereof) on such Measurement Date and the participation of the Shares underlying such Option (or portion thereof) (and any such other options (or portions thereof)) in any transaction on such Measurement Date would result in the failure to satisfy any of the thresholds in Section 3.2(a)(i) or 3.2(a)(ii), as applicable (each, an "Investment Hurdle"), then the Option shall become exercisable as to the maximum percentage of Shares subject thereto that will result in, as of the Measurement Date, the achievement of the applicable Investment Hurdle taking into account the Shares subject to the Option (or portion thereof) (and any other options (or portions thereof) with respect to Shares) that so become exercisable and, if applicable, the participation of the Shares underlying such Option (or portion thereof) (and any such other options (or portions thereof)) in such transaction.

Section 3.3 Expiration of Option. The Option may not be exercised to any extent by anyone after the first to occur of the following events:

(a) The tenth anniversary of the Grant Date; or

(b) The Termination of Service Date upon Termination of Service by the Company for Cause or by the Optionee without Good Reason, immediately prior to such Termination of Service (and subject to such Termination of Service); or

(c) The date the Optionee first violates any of the restrictive covenants set forth in Article IV or any other written agreement by and between the Optionee and the Company or any of its affiliates.

Section 3.4 Partial Exercise. Any exercisable portion of the Vested Option or the entire Vested Option, if then wholly exercisable, may be exercised in whole or in part at any time prior to the time when the Vested Option or portion thereof becomes unexercisable; *provided, however,* that each partial exercise shall be for not less than 100 Shares and shall be for whole Shares only.

Section 3.5 Persons Eligible to Exercise. During the lifetime of the Optionee, only the Optionee may exercise the Option or any portion thereof. After the death of the Optionee, any exercisable portion of the Option may, prior to the time when the Option becomes unexercisable under Section 3.2, be exercised by the Optionee's personal representative or by any person empowered to do so under the deceased the Optionee's will or under the then applicable laws of descent and distribution.

Section 3.6 Manner of Exercise. The Option, or any exercisable portion thereof, may be exercised solely by delivery to the Secretary of the Company or the Secretary's office, or such other place as may be determined by the Administrator, of all of the following prior to the time when the Option or such portion thereof becomes unexercisable under Section 3.3:

(a) An exercise notice substantially in the form attached as Exhibit A hereto (or such other form as is prescribed by the Administrator) (the "Exercise Notice") in writing signed by the Optionee or any other person then entitled to exercise the Option or portion thereof, stating that the Option or portion thereof is thereby exercised, such notice complying with all applicable rules established by the Administrator; and

(b) Subject to Section 5(f) of the Plan:

(i) Full payment (in cash or by check) for the Shares with respect to which the Option or portion thereof is exercised; or

(ii) With the consent of the Administrator, by delivery of Shares then issuable upon exercise of the Option having a Fair Market Value on the date of delivery equal to the aggregate exercise price of the Option or exercised portion thereof; or

(iii) With the consent of the Administrator, through the (A) delivery by the Optionee to the Company of an irrevocable and unconditional undertaking by a broker acceptable to the Company to deliver promptly to the Company sufficient funds to pay the exercise price or (B) delivery by the Optionee to the Company or a copy of irrevocable and unconditional instructions to a broker acceptable to the Company to deliver promptly to the Company cash or a check sufficient to pay the exercise price; *provided* that payment is then made to the Company at such time as may be required by the Administrator; or

(iv) With the consent of the Administrator, any other method of payment permitted under the terms of the Plan; or

(v) Subject to any applicable laws, any combination of the consideration allowed under the foregoing paragraphs.

(c) The receipt by the Company of full payment for any applicable withholding tax in cash or by check or in the form of consideration to be agreed upon by the Optionee and the Administrator;

(d) A joinder or other agreement in the form provided by the Company signed by the Optionee or any other person then entitled to exercise the Option or portion thereof, stating that the Shares received upon exercise of the Option or portion thereof are subject to the terms of the Stockholder Agreement; and

(e) In the event the Option or portion thereof shall be exercised pursuant to Section 3.5 by any person or persons other than the Optionee, appropriate proof of the right of such person or persons to exercise the Option.

Section 3.7 Exercise of Option. The exercise of the Option shall be governed by the terms of this Agreement and the terms of the Plan, including, without limitation, the provisions of Section 5 of the Plan.

ARTICLE IV.
RESTRICTIVE COVENANTS

Section 4.1 Introduction. The parties acknowledge and agree that (a) the provisions and covenants contained in this Article IV (i) have been negotiated and are entered into in good faith as an ancillary agreement in connection with the grant of the Option contemplated by this Agreement, (ii) are material to this Agreement, (iii) are provided for, among other things, the protection of the Company's trade secrets, confidential and commercially-sensitive information, client and customer relationships, goodwill and reputation (which is an honest and just purpose), (iv) are reasonable in geographic and temporal scope and (v) do not impose a greater restriction or restraint than is necessary to protect the Company's trade secrets, confidential and commercially-sensitive information, client and customer relationships and contacts, goodwill, reputation and other legitimate business interests, (b) the Optionee (i) is employed or otherwise engaged as an independent contractor or other service provider by the Company, (ii) has been and/or will be provided with confidential and commercially-sensitive information regarding the Company and its business during his or her employment and/or service with the Company, and (iii) provides special, unique and extraordinary services to the Company, (c) the provisions of this Article IV do not adversely affect the Optionee's ability to earn a living in any capacity, stifle the Optionee's ability to use his or her inherent skills and experience, or otherwise impose undue hardship or oppression on the Optionee, and (d) the entitlement to the benefits provided to the Optionee under this Agreement, whether or not such benefits have vested and/or become exercisable, constitute sufficient consideration for all of the Optionee's covenants contained in this Article IV.

Section 4.2 Confidential Information. Except as permitted by the Board, during the term of the Optionee's employment and/or service with the Company and at all times thereafter, the Optionee shall not divulge, furnish or make accessible to anyone or use in any way other than in the ordinary course of the business of the Company, any confidential, proprietary or secret knowledge or information of the

Company or any of its affiliates, whether developed by the Optionee or others, including but not limited to (a) trade secrets, (b) confidential and proprietary plans, developments, research, processes, designs, methods or material (whether or not patented or patentable), (c) customer and supplier lists, (d) strategic or other business, marketing or sales plans, (e) financial data and plans and (f) Proprietary Information. The Optionee acknowledges that the above-described knowledge and information constitute unique and valuable assets of the Company and represent a substantial investment of time and expense by the Company, and that any disclosure or other use of such knowledge or information other than for the sole benefit of the Company would be wrongful and would cause irreparable harm to the Company. During the term of the Optionee's employment and/or service with the Company, the Optionee shall refrain from any acts or omissions that would reduce the value of such knowledge or information to the Company. The foregoing obligations of confidentiality shall not apply to any knowledge or information that (i) is now or subsequently becomes generally publicly known for reasons other than the Optionee's violation of this Agreement, (ii) is independently made available to the Optionee in good faith by a third party who has not violated a confidential relationship with the Company, or (iii) is required to be disclosed by legal process, other than as a direct or indirect result of the breach of this Agreement by the Optionee.

Section 4.3 Ventures. If, during the Optionee's employment and/or service with the Company, the Optionee is engaged in or associated with the planning or implementing of any project, program or venture involving the Company, all rights in such project, program or venture shall belong to the Company, as applicable. Except as approved in writing by the Board, the Optionee shall not be entitled to any interest in any such project, program or venture or to any commission, finder's fee or other compensation in connection therewith. The Optionee shall have no interest, direct or indirect, in any customer or supplier that conducts business with the Company, provided that a passive investment of less than 2.5% of the outstanding shares of capital stock of any customer or supplier listed on a national securities exchange or publicly traded in the over-the-counter market shall not constitute a breach of this sentence.

Section 4.4 Agreement Not to Compete. During the term of the Optionee's employment and/or service with the Company and during the Restricted Period, regardless of the reason for such termination and regardless of whether the termination is initiated by the Company or Optionee, the Optionee shall not, directly or indirectly, engage in any manner or capacity (including without limitation as a proprietor, owner, principal, agent, partner, officer, director, employee, member of any association, consultant or otherwise) in any Company Business (as defined below) in the Territory (as defined below). For purposes of this Article IV, (a) "Company" means LTF Holdings, Inc. and any parent, affiliated, related and/or direct or indirect subsidiary entity thereof, (b) "Company Business" means (i) the design, development, operation, management, advertisement, promotion, solicitation, marketing or sale of health and fitness clubs or health and fitness club memberships, (ii) any services, products or programs offered by health and fitness clubs, including but not limited to personal training, nutritional supplements; health testing or health assessments; wellness services or programs (whether direct to consumer or business to business); weight loss services or programs; kids activities; salons, spas, and medical spas; restaurants or cafes; athletic events and related services (including race timing and registration), and (iii) any other product or service that grows into a material business for the Company (or is under development and is projected to grow into a material business for the Company) as of the Optionee's Termination of Service Date, and (c) "Territory" means the United States, Canada and any other country in which the Company is then doing Company Business as of the Optionee's Termination of Service Date. Ownership by the Optionee, as a passive investment, of less than 2.5% of the outstanding shares of capital stock of any corporation listed on a national securities exchange or publicly traded in the over-the-counter market shall not constitute a breach of this Section 4.4.

Section 4.5 Agreement Not to Solicit or Hire Employees. During the term of the Optionee's employment and/or service with the Company and during the Restricted Period, regardless of the reason for such termination and regardless of whether the termination is initiated by the Company or Optionee, the Optionee shall not, in any manner or capacity (including without limitation as a proprietor, owner, principal, agent, partner, officer, director, stockholder, employee, member of any association, consultant or otherwise), directly or indirectly, hire, engage or solicit for the purpose of employing or otherwise engaging any person who is then an employee of the Company or who was an employee of the Company as of the Optionee's Termination of Service Date or at any time in the six-month period prior to such hiring, engagement or solicitation.

Section 4.6 Agreement Not to Solicit Business Relations. During the term of the Optionee's employment and/or service with the Company and during the Restricted Period, regardless of the reason for such termination and regardless of whether the termination is initiated by the Company or Optionee, the Optionee shall not, in any manner or capacity (including without limitation as a proprietor, owner, principal, agent, partner, officer, director, stockholder, employee, member of any association, consultant or otherwise), directly or indirectly, solicit, request, advise or induce any current or potential customer, member, supplier or other business contact of the Company to cancel, curtail or otherwise change its relationship with the Company.

Section 4.7 Blue Pencil Doctrine. If the duration of, the scope of or any business activity covered by any provision of this Article IV is found by a court of competent jurisdiction to be in excess of what is valid and enforceable under applicable law, such provision shall be construed to cover only that duration, scope or activity that is valid and enforceable, and all other provisions of this Article IV shall remain in full force and effect. The Optionee hereby acknowledges that this Article IV shall be given the construction that renders its provisions valid and enforceable to the maximum extent, not exceeding its express terms, possible under applicable law. Notwithstanding anything to the contrary, this Section 4.7 shall in no event apply to the extent its application would render this Article IV (or any portion thereof) unenforceable under applicable law.

Section 4.8 Return of Records and Property. On or within thirty (30) days of the Termination of Service Date or at any other time as required by the Company, the Optionee shall promptly deliver to the Company any and all Company records and any and all Company property in the Optionee's possession or under the Optionee's control, and all copies thereof, including without limitation manuals, books, blank forms, documents, letters, memoranda, notes, notebooks, reports, printouts, computer disks, computer tapes, source codes, data, tables or calculations, keys, access cards, access codes, passwords, credit cards, personal computers, telephones and other electronic equipment belonging to the Company, and shall also permanently delete all Company email, all Company customer, member, supplier or other business contacts' information, and all other Company information from the Optionee's computer, mobile phone and other electronic devices.

Section 4.9 Protectable Material; Trade Secrets.

(a) All right, title and interest in all discoveries, inventions, improvements, innovations and other material that the Optionee shall conceive or originate individually or jointly or commonly with others during the term of the Optionee's employment and/or service with the Company (i) that are directly related to the business of the Company or to the Company's actual or demonstrably anticipated research or development, or that results from any work performed by the Optionee for the Company, (ii) for which any equipment, supplies, facility or trade secret information of the Company was used and/or (iii) which was not developed entirely on the Optionee's own time, whether or not patentable, copyrightable, or registrable as a trademark ("Protectable Material"), shall be the property of the Company and are hereby assigned by the Optionee to the Company (and the Optionee agrees to assign all Protectable Material to the Company in the future), along with ownership of any and all patents, copyrights, trademarks and other intellectual property rights in the Protectable Material. Upon request and without further

compensation therefor, but at no expense to the Optionee, the Optionee shall execute any and all papers and perform all other acts necessary to assist the Company to obtain and register patents, copyrights, trademarks and other intellectual property rights on the Protectable Materials in any and all countries. Where applicable, works of authorship created by the Optionee for the Company in performing the Optionee's duties and responsibilities hereunder shall be considered "works made for hire," as defined in the U.S. Copyright Act.

(b) All trade secret information conceived or originated by the Optionee that arises during the term of the Optionee's employment and/or service with the Company and out of the performance of the Optionee's duties and responsibilities to the Company or any related material or information shall be the property of the Company, and all rights therein are hereby assigned by the Optionee to the Company.

(c) Notwithstanding the foregoing, the Optionee understands that this Agreement does not require assignment of any invention to the extent such invention qualifies for protection under Section 181.78 of the 2015 Minnesota Statutes, as may be amended from time to time, and the current text of which is attached hereto as Annex 1 to Exhibit B. The Optionee hereby acknowledges that the Company has provided him or her with the notification set forth on Exhibit B (and the annex attached thereto) on the date hereof and the Optionee shall sign such notification as soon as reasonably practicable after the date hereof.

Section 4.10 Non-Disparagement. The Optionee will not malign, defame or disparage the reputation, character, image, products or services of the Company, or the reputation or character of the Company's directors, officers, employees, shareholders or agents, either orally or in writing, at any time; *provided* that nothing in this Section 4.10 shall be construed to limit or restrict the Optionee from providing truthful information to the extent required by applicable law in connection with any legal proceeding, government investigation or other legal matter.

Section 4.11 Enforcement. The Optionee acknowledges that the provisions of Article IV are reasonable and necessary to protect the legitimate interests of the Company, and that any violation of those provisions by the Optionee would cause real, immediate, substantial and irreparable harm to the Company to such an extent that monetary damages alone would be an inadequate remedy therefor. Therefore, in the event of any actual or threatened breach of any provision of Article IV, the Company shall, in addition to any other remedies it may have, be entitled to injunctive and other equitable relief to enforce such provisions and to restrain the Optionee from violating or continuing to violate such provisions, and such relief may be granted without the necessity of proving actual monetary damages or posting bond. The Optionee agrees that the Restricted Period shall be tolled, and shall not run, during any period of time in which he or she is in violation of the terms of Section 4.4, 4.5 or 4.6, in order that the Company and its affiliates shall have all of the agreed-upon temporal protection recited herein. No breach of any provision of this Agreement by the Company, or any other claimed breach of contract or violation of law, or change in the nature or scope of the Optionee's employment and/or service relationship with the Company, shall operate to extinguish the Optionee's obligation to comply with Article IV. The Company (including, without limitation, its affiliates) shall have the right to enforce all of the Optionee's obligations to the Company under this Agreement, including without limitation pursuant to Article IV, and the Company shall be entitled to assign its rights under this Article IV without the Optionee's consent. The Optionee covenants and agrees that he or she has received adequate consideration for his or her obligations contained in Article IV, and will not take the position that the covenants contained in Article IV are void for lack of consideration. The Optionee will be responsible for any and all attorneys' fees and costs the Company incurs in enforcing the Optionee's obligations contained in Article IV.

ARTICLE V.
OTHER PROVISIONS

Section 5.1 Not a Contract of Employment or Services. Nothing in this Agreement or in the Plan shall confer upon the Optionee any right to continue in the employ or engagement of the Company or any of its Subsidiaries or affiliates or shall interfere with or restrict in any way the rights of the Company and its Subsidiaries and affiliates, which are hereby expressly reserved, to discharge the Optionee at any time for any reason whatsoever, with or without Cause, except as may otherwise be provided by any written agreement entered into by and between the Company and the Optionee.

Section 5.2 Shares Subject to Plan and Stockholders Agreement; Entire Agreement. The Optionee acknowledges that any shares acquired upon exercise of the Option are subject to the terms of the Plan and the Stockholders Agreement. The terms of this Agreement are intended by the parties to be the final expression of their agreement with respect to the subject matter hereof and may not be contradicted by evidence of any prior or contemporaneous agreement. The parties further intend that this Agreement (together with the Plan and the Stockholders Agreement) shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever may be introduced in any judicial, administrative, or other legal proceeding to vary the terms of this Agreement.

Section 5.3 Construction. This Agreement shall be administered, interpreted and enforced under the internal laws of the State of Delaware, without regard to the principles of conflicts of law thereof, or principles of conflicts of law of any other jurisdiction which could cause the application of the laws of any jurisdiction other than the State of Delaware.

Section 5.4 Jurisdiction and Venue. The Optionee and the Company consent to jurisdiction of the courts of the State of Delaware and/or the United States District Court, District of Delaware, for the purpose of resolving all issues of law, equity, or fact, arising out of or in connection with this Agreement. Any action involving claims of a breach of this Agreement shall be brought in such courts. By execution and delivery of this Agreement, each party irrevocably consents to service of process out of any of the aforementioned courts in any such action or proceeding by the making of copies thereof by registered or certified mail, postage prepaid, or by recognized express carrier or delivery service, to the applicable party at his, her or its address referred to herein. Each of the parties hereto irrevocably waives any objection which he, she or it may not or hereafter have to the laying of venue for the purposes of all such suits arising out of or in connection with this Agreement, or any related agreement, certificate or instrument referred to above, and hereby further irrevocably waives and agrees, to the fullest extent permitted by applicable law, not to plead or claim in any such court that any such action or proceeding brought in any such court has been brought in an inconvenient forum. Each of the parties consents to personal jurisdiction over such party in the aforementioned courts and hereby waives any defense of lack of personal jurisdiction. Venue, for the purpose of all such suits, shall be exclusively in Wilmington, Delaware.

Section 5.5 Conformity to Securities Laws. The Optionee acknowledges that the Plan is intended to conform to the extent necessary with all provisions of the Securities Act and the Exchange Act and any and all regulations and rules promulgated thereunder by the Securities and Exchange Commission, including without limitation Rule 16b-3. Notwithstanding anything herein to the contrary, the Plan shall be administered, and the Option is granted and may be exercised, only in such a manner as to conform to such laws, rules and regulations. To the extent permitted by applicable law, the Plan and this Agreement shall be deemed amended to the extent necessary to conform to such laws, rules and regulations.

Section 5.6 Amendment. The Option may be wholly or partially amended at any time or from time to time by the Administrator in its discretion; provided that if such amendment materially impairs the rights of the Optionee hereunder, no such amendment shall be effective until consented to in writing by the Optionee.

Section 5.7 Stockholder Approval.

(a) Except as otherwise provided in Section 5.7(b), in the event that the Company determines that any right to receive the Option or payment or other benefit under this Agreement (including, without limitation, the acceleration of the vesting and/or exercisability of the Option and taking into account the effect of this Section) or any other agreement by and between the Optionee and the Company, to or for the benefit of the Optionee (the "Payments"), would, in whole or part when aggregated with any other right, payment or benefit to or for the Optionee under all other agreements or benefit plans of the Company, be nondeductible by the Company (or other person making such payment or providing such benefit) as a result of Section 280G of the Code and/or would subject the Optionee to the excise tax imposed by Section 4999 of the Code (the "Excise Tax") then, to the extent necessary to make the Payments deductible and to exempt the Payments from the Excise Tax (but only to such extent and after taking into account any reduction in the Payments relating to Section 280G of the Code under any other plan, arrangement or agreement), the Option or any other right, payment or benefit under this Agreement shall not become exercisable, vested or paid.

(b) Notwithstanding any other provision of this Agreement, the provisions of Section 5.7(a) shall not apply to reduce the Payments if the Payments that would otherwise be nondeductible under Section 280G of the Code and/or would subject the Optionee to the Excise Tax are disclosed to and approved by the Company's stockholders in accordance with Section 280G(b)(5)(B) of the Code and the Department of Treasury regulations thereunder.

(c) The Company shall use commercially reasonable efforts to prepare and deliver to its stockholders the disclosure required by Section 280G(b)(5)(B) of the Code with respect to the Payments and to seek the approval of the Company's stockholders in accordance with Section 280G(b)(5)(B) of the Code and the Department of Treasury regulations thereunder.

Section 5.8 Section 409A. The Company shall undertake to administer, interpret and construe this Agreement in a manner that does not result in the imposition on the Optionee of any additional tax, penalty or interest under Section 409A, and to comply with Section 409A to the extent applicable. Notwithstanding any provision of this Agreement to the contrary, in the event that the Company determines in good faith that any provision of this Agreement would cause the Optionee to incur an additional tax, penalty or interest under Section 409A, the Company and Optionee shall cooperate in good faith to (a) adopt such amendments to this Agreement and appropriate policies and procedures, including amendments and policies with retroactive effect, as the Company and Optionee determine to be necessary or appropriate to preserve the intended tax treatment of the benefits provided by this Agreement, to preserve the economic benefits of this Agreement and to avoid less favorable accounting or tax consequences for the Company and/or (b) take such other actions as the Company and Optionee determine to be necessary or appropriate to exempt the amounts payable hereunder from Section 409A or to comply with the requirements of Section 409A and thereby avoid the application of penalty taxes thereunder. No provision of this Agreement shall be interpreted or construed to transfer any liability for failure to comply with the requirements of Section 409A from the Optionee or any other individual to the Company or any of its affiliates, employees or agents.

Section 5.9 Tax Consultation. The Optionee acknowledges and agrees that his or her entry into this Agreement and participation in the Plan is voluntary and there may be tax consequences as a result of his or her receipt of the Option and/or the purchase or disposition of the Shares underlying the Option. The Optionee represents that he or she (a) has consulted with any tax consultants he or she deems advisable in connection with this Agreement, the receipt of the Option, and the purchase or disposition of

the Shares underlying the Option, and (b) is not relying on the Company for any tax advice. The Optionee is relying solely on such advisors and not on any statements or representations of the Company or any of its agents. The Optionee understands that he or she (and not the Company) shall be solely responsible for the Optionee's tax liability that may arise as a result of this investment or the transactions contemplated by this Agreement.

[signature page follows]

IN WITNESS WHEREOF, this Agreement has been executed and delivered by the parties hereto as of the date first above written.

LTF HOLDINGS, INC.

By: _____

Its: _____

OPTIONEE

_____

[Optionee Name]

Residence Address:

_____

_____

Optionee's Social Security Number:

_____

EXHIBIT A

TO STOCK OPTION AGREEMENT

FORM OF EXERCISE NOTICE

Effective as of today, _____, _____, the undersigned ("***Optionee***") hereby elects to exercise Optionee's option to purchase_____ Shares of LTF Holdings, Inc. (the "***Company***") under and pursuant to the LTF Holdings, Inc. 2015 Equity Incentive Plan (the "***Plan***") and the Non-Qualified Stock Option Agreement dated _____ (the "***Option Agreement***", and such election to exercise, the "***Exercise Notice***"). Capitalized terms used herein without definition shall have the meanings given in the Option Agreement.

Grant Date:	_____
Number of Shares as to which Option is Exercised:	_____
Exercise Price per Share:	$_____
Total Exercise Price:	$_____
Certificate to be issued in name of:	_____
Cash Payment delivered herewith:	$_____ (Representing the full Exercise Price for the Shares, as well as any applicable withholding tax)

Type of Option: ¨ Incentive Stock Option ¨ Non-Qualified Stock Option

1. Representations of Optionee. Optionee acknowledges that Optionee has received, read and understood the Plan and the Option Agreement. Optionee agrees to abide by and be bound by their terms and conditions.

2. Tax Consultation. Optionee understands that Optionee may suffer adverse tax consequences as a result of Optionee's purchase or disposition of the Shares. Optionee represents that Optionee has consulted with any tax consultants Optionee deems advisable in connection with the purchase or disposition of the Shares and that Optionee is not relying on the Company for any tax advice. Optionee is relying solely on such advisors and not on any statements or representations of the Company or any of its agents. Optionee understands that Optionee (and not the Company) shall be responsible for Optionee's tax liability that may arise as a result of this investment or the transactions contemplated by this Exercise Notice.

3. Restrictive Legends and Stop-Transfer Orders.

(a) Legends. Optionee understands and agrees that the Company shall cause any certificates issued evidencing the Shares to have the legends set forth below or legends substantially equivalent thereto, together with any other legends that may be required by state or federal securities laws:

> THE SHARES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED ("ACT"), NOR HAVE THEY BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE. NO TRANSFER OF SUCH SECURITIES WILL BE PERMITTED

UNLESS A REGISTRATION STATEMENT UNDER THE ACT IS IN EFFECT AS TO SUCH TRANSFER, THE TRANSFER IS MADE IN ACCORDANCE WITH RULE 144 UNDER THE ACT, OR IN THE OPINION OF COUNSEL (WHICH MAY BE COUNSEL FOR THE COMPANY) REGISTRATION UNDER THE ACT IS UNNECESSARY IN ORDER FOR SUCH TRANSFER TO COMPLY WITH THE ACT AND WITH APPLICABLE STATE SECURITIES LAWS.

THE SHARES REPRESENTED BY THIS CERTIFICATE MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF AN AGREEMENT BETWEEN THE COMPANY AND THE STOCKHOLDER, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY. SUCH TRANSFER RESTRICTIONS ARE BINDING ON TRANSFEREES OF THESE SHARES.

(b) Optionee agrees that, in order to ensure compliance with the restrictions referred to herein, the Company may issue appropriate "stop transfer" instructions to its transfer agent, if any, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

(c) The Company shall not be required (i) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of the Option Agreement or the Stockholders Agreement or (ii) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such Shares shall have been so transferred.

4. Further Instruments. Optionee hereby agrees to execute such further instruments and to take such further action as the Company determines are reasonably necessary to carry out the purposes and intent of the Option Agreement and this Exercise Notice.

5. Entire Agreement. The Plan, the Option Agreement and the Stockholders Agreement are incorporated herein by reference. This Exercise Notice, the Plan, the Option Agreement and the Stockholders Agreement constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Optionee with respect to the subject matter hereof.

ACCEPTED BY:
LTF HOLDINGS, INC.

By: _____
Print Name: _____
Title: _____

SUBMITTED BY
OPTIONEE:

By: _____
Print Name: _____

Address: _____
_____

EXHIBIT B

TO STOCK OPTION AGREEMENT

LIMITED EXCLUSION NOTIFICATION

THIS IS TO NOTIFY YOU that, notwithstanding anything to the contrary in that certainNon-Qualified Stock Option Agreement between you and LTF Holdings, Inc. (the "Company"), dated as of [_____] (the "Option Agreement"), the Option Agreement does not require assignment of any invention to the extent such invention qualifies for protection under Section 181.78 of the 2015 Minnesota Statutes, as may be amended from time to time. The current text of the aforementioned statute is attached hereto as Annex 1.

I, _____, acknowledge receipt of a copy of this notification (and the annex thereto).

_____

_____

Date

Annex 1

Section 181.78 of the 2015 Minnesota Statutes

As of the date of this Agreement, Section 181.78 of the 2015 Minnesota Statutes is as follows:

181.78 AGREEMENTS; TERMS RELATING TO INVENTIONS.

Subdivision 1. **Inventions not related to employment**. Any provision in an employment agreement which provides that an employee shall assign or offer to assign any of the employee's rights in an invention to the employer shall not apply to an invention for which no equipment, supplies, facility or trade secret information of the employer was used and which was developed entirely on the employee's own time, and (1) which does not relate (a) directly to the business of the employer or (b) to the employer's actual or demonstrably anticipated research or development, or (2) which does not result from any work performed by the employee for the employer. Any provision which purports to apply to such an invention is to that extent against the public policy of this state and is to that extent void and unenforceable.

Subd. 2. **Effect of subdivision 1**. No employer shall require a provision made void and unenforceable by subdivision 1 as a condition of employment or continuing employment.

Subd. 3. **Notice to employee**. If an employment agreement entered into after August 1, 1977 contains a provision requiring the employee to assign or offer to assign any of the employee's rights in any invention to an employer, the employer must also, at the time the agreement is made, provide a written notification to the employee that the agreement does not apply to an invention for which no equipment, supplies, facility or trade secret information of the employer was used and which was developed entirely on the employee's own time, and (1) which does not relate (a) directly to the business of the employer or (b) to the employer's actual or demonstrably anticipated research or development, or (2) which does not result from any work performed by the employee for the employer.

NON-QUALIFIED STOCK OPTION AGREEMENT
OF
LTF HOLDINGS, INC.

THIS AGREEMENT (the "Agreement") is entered into as of [_____] (the "Grant Date") by and between LTF Holdings, Inc., a Delaware corporation (the "Company"), and [_____], an employee, consultant or director of the Company or one of its Subsidiaries (hereinafter referred to as, the "Optionee").

WHEREAS, the Board has approved the LTF Holdings, Inc. 2015 Equity Incentive Plan (as it may be amended from time to time, the "Plan"), the terms of which are hereby incorporated by reference and made a part of this Agreement;

WHEREAS, the Administrator (as defined in the Plan) has determined that it would be to the advantage and best interest of the Company and its shareholders to grant the Non-Qualified Stock Option to purchase [_____] shares of Common Stock (the "Shares") as provided for herein to the Optionee as an inducement to enter into or remain in the service of the Company or one of its Subsidiaries and as an incentive for increased efforts during such service, and has advised the Company thereof and instructed the undersigned officers to issue said Option; and

WHEREAS, the Optionee has entered into the Stockholders Agreement (as defined in the Plan).

NOW, THEREFORE, in consideration of the mutual covenants contained herein, including those set forth in Article IV hereof, and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto do hereby agree as follows:

ARTICLE I.
DEFINITIONS

Whenever the following terms are used in this Agreement, they shall have the meaning specified below unless the context clearly indicates to the contrary. Capitalized terms used in this Agreement and not defined below shall have the meaning given such terms in the Plan. The singular pronoun shall include the plural, where the context so indicates.

Section 1.1 "Cash Equivalents" shall mean (a) securities issued or directly and fully guaranteed or insured by the full faith and credit of the United States government; (b) certificates of deposit or bankers acceptances with maturities of one year or less from institutions with at least $1 billion in capital and surplus and whose long-term debt is rated at least "A-1" by Moody's or the equivalent by Standard & Poor's; (c) commercial paper issued by a corporation rated at least "A-1" by Moody's or the equivalent by Standard & Poor's and in each case maturing within one year; and (d) investment funds investing at least ninety-five percent (95%) of their assets in cash or assets of the types described in clauses (a) through (c) above.

Section 1.2 "Cash Proceeds" shall mean, with respect to a Measurement Date, the actual cash proceeds received by the Principal Stockholders in respect of the Investment on or prior to such Measurement Date (other than any cash proceeds received by a Principal Stockholder at any time from an affiliate thereof), including (a) any cash dividends, cash distributions or cash interest made or paid by the Company or any of its Subsidiaries in respect of the Investment (but excluding any management and similar fees or other amounts payable that are not directly attributable to the Investment) and (b) any cash or Cash Equivalents received for the disposal of any portion of the Investment (including, without limitation, any cash or Cash Equivalents received by the Principal Stockholders upon the conversion of Non-Cash Proceeds realized by the Principal Stockholders on the Investment on or prior to such Measurement Date).

Section 1.3 "Change of Control" shall mean (a) the sale of all or substantially all of the assets of the Company to any other person or entity (other than the Company, any of its Subsidiaries, any of the Principal Stockholders, or any employee benefit plan maintained by the Company or any of its Subsidiaries), or (b) a change in beneficial ownership or control of the Company effected through a transaction or series of transactions (other than an offering of Common Stock or other securities to the general public through a registration statement filed with the Securities and Exchange Commission) whereby any "person" or related "group" of "persons" (as such terms are used in Sections 13(d) and 14(d)(2) of the Exchange Act) (other than the Company, any of its Subsidiaries, any of the Principal Stockholders, or any employee benefit plan maintained by the Company or any of its Subsidiaries), directly or indirectly acquires beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of securities of the Company possessing more than 50% of the total combined voting power of such entity's securities outstanding immediately after such acquisition.

Section 1.4 "Common Stock" shall mean shares of common stock, par value $0.01, of LTF Holdings, Inc.

Section 1.5 "Company" shall, except as set forth in Article IV, have the meaning set forth in the preamble hereto.

Section 1.6 "Disability" shall mean "Disability" as defined in any written employment agreement between the Optionee and the Company or any of its Subsidiaries; *provided* that, in the absence of such an agreement containing such definition, "Disability" shall mean the Optionee has become physically or mentally incapacitated or disabled such that the Optionee is unable to perform for the Company substantially the same services as the Optionee performed prior to incurring such incapacity or disability, and such incapacity or disability exists for an aggregate of four (4) calendar months in any twelve (12) month period (as determined in good faith by the Administrator). In connection with making the Administrator's determination, the Company, at its option and expense, shall be entitled to select and retain a physician to confirm the existence of such incapacity or disability, and the determination made by such physician shall be binding on the parties for the purposes of this Agreement.

Section 1.7 "Effective Date" shall mean the date of the consummation of the transactions contemplated by that certain Agreement and Plan of Merger among Life Time, LTF Holdings, LTF Merger Sub, Inc., dated as of March 15, 2015.

Section 1.8 "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

Section 1.9 "Good Reason" shall mean, without the Optionee's express written consent, any of the following conditions shall occur, provided that none of the following conditions shall constitute Good Reason unless (i) the Optionee is an Employee at the time of the occurrence and (ii) the Optionee first gives written notice to the Company within 90 days of the first occurrence of the condition, delineating the claimed facts or circumstances constituting Good Reason and setting forth the Optionee's intention to terminate the Optionee's employment if such breach is not duly remedied within 30 business days, and the Company fails to cure the condition within such 30-business day period:

(a) the Company has breached any material term(s) or material condition(s) of this Agreement, which breach was not caused by the Optionee; or

(b) the Company relocates its executive offices outside of a seventy-five (75) mile radius of its location as of the Grant Date, and the relocation results in a material change to the geographic location at which the Optionee performs services.

Section 1.10 "Grant Date" shall have the meaning set forth in the preamble hereto.

Section 1.11 "Initial Public Offering" shall mean an initial underwritten offering of Common Stock or securities of any of affiliates of the Company to the general public through a registration statement filed with the Securities and Exchange Commission (other than on Form S-3, S-4 or S-8 or any similar successor form or another form used for a purpose similar to the intended use of any such form).

Section 1.12 "Investment" shall mean the aggregate investment of funds (and the fair market value of any property contributed as of the time of such contribution) by the Principal Stockholders in exchange for equity securities of the Company and its Subsidiaries.

Section 1.13 "Investment Hurdle" shall have the meaning set forth in Section 3.2(d).

Section 1.14 "IPO Date" shall mean the effective date of an Initial Public Offering.

Section 1.15 "IPO Measurement Date" shall mean each date following the expiration of the lock-up period applicable to the Optionee related to the Initial Public Offering.

Section 1.16 "IRR Exercisable Amount" shall have the meaning set forth in Section 3.2(a)(ii).

Section 1.17 "Measurement Date" shall mean (a) the date of the first Change of Control following the Effective Date, (b) each IPO Measurement Date and (c) the Termination Measurement Date.

Section 1.18 "MOIC Exercisable Amount" shall have the meaning set forth in Section 3.2(a)(i).

Section 1.19 "Non-Cash Proceeds" shall mean all actual proceeds received by the Principal Stockholders in respect of the Investment on or prior to the Measurement Date (other than any proceeds received by a Principal Stockholder at any time from an affiliate thereof) which do not constitute Cash Proceeds.

Section 1.20 "Option" shall mean the Non-Qualified Stock Option to purchase Common Stock granted under this Agreement.

Section 1.21 "Optionee" shall have the meaning set forth in the preamble hereto.

Section 1.22 "Plan" shall have the meaning set forth in the Recitals hereto.

Section 1.23 "Principal Stockholder IRR" shall mean the annual, compounded internal rate of return achieved, as of the date of the first Change of Control following the Effective Date, by the Principal Stockholders in respect of the Investment, which internal rate of return shall be based on the amount of all Proceeds received by the Principal Stockholders (after taking into account the vesting and exercisability of the Option and any other equity awards granted by the Company). Principal Stockholder IRR shall be calculated using the XIRR function in the most recent version of Microsoft Excel (or if such program is no longer available, such other software program for calculating internal rate of return proposed by the Company and reasonably acceptable to the Board).

Section 1.24 "Principal Stockholder MOIC" shall mean the "multiple of invested capital" received by the Principal Stockholders on the Investment, which shall be equal to:

(a) as of the first Change of Control following the Effective Date, the ratio of (i) the amount of all Proceeds received by the Principal Stockholders with respect to the Investment on or prior to such Change of Control (after taking into account the vesting and exercisability of the Option and any other equity awards granted by the Company), to (ii) the amount of the Investment on or prior to such Change of Control;

(b) as of each IPO Measurement Date, the ratio of (i) the amount of all actual Proceeds received by the Principal Stockholders with respect to the Investment on or prior to such IPO Measurement Date, to (ii) the amount of the Investment on or prior to such IPO Measurement Date; and

(c) as of the Termination Measurement Date, the ratio of (i) the amount of all Proceeds received by the Principal Stockholders with respect to the Investment on or prior to such Termination Measurement Date, to (ii) the amount of the Investment on or prior to the Termination Measurement Date.

Section 1.25 "Proceeds" shall mean:

(a) with respect to each IPO Measurement Date, the sum of the Cash Proceeds and the fair market value ofNon-Cash Proceeds; *provided, however*, that if the Principal Stockholders retain publicly-traded equity securities of the Company or any of its affiliates following an Initial Public Offering, the fair market value of any such securities held as of an IPO Measurement Date (calculated based on the average closing price per share of such equity securities for the thirty (30)-day period immediately preceding such IPO Measurement Date) shall be deemedNon-Cash Proceeds for purposes of calculating the Proceeds as of such IPO Measurement Date;

(b) with respect to the first Change of Control after the Effective Date, the Cash Proceeds and the fair market value ofNon-Cash Proceeds received on or prior to such Change of Control, after taking into account, to the extent applicable, all post-closing adjustments relating to such Change of Control, and assuming the exercise of all vested and exercisable options and warrants outstanding as of the effective date of such Change of Control (after giving effect to any dilution of securities or instruments arising in connection with such Change of Control); *provided*, *however*, that (i) if the Principal Stockholders retain any portion of an Investment following a Change of Control, the fair market value of such portion of the Investment as of such Change of Control shall be deemed Non-Cash Proceeds for purposes of calculating the Proceeds, (ii) the fair market value of any Non-Cash Proceeds (including stock) received in connection with a Change of Control shall be determined by the Board in good faith as of the date of such Change of Control, and (iii) in the event that the receipt of any portion of the Proceeds by the Principal Stockholders is delayed beyond the date of the applicable Change of Control and made subject to any contingencies or potential post-closing adjustments, such as an escrow arrangement, the Proceeds shall include an estimate, determined as of or prior to the date of the Change of Control by the Board in good faith of the fair market value of such portion of the Proceeds (rather than the actual amounts ultimately received, if any, with respect to such portion of the Proceeds); and

(c) with respect to the Termination Measurement Date, the Cash Proceeds and the fair market value ofNon-Cash Proceeds received on or prior to such Termination Measurement Date; *provided*, *however*, that (i) if the Principal Stockholders retain any portion of an Investment following the Termination Measurement Date, the fair market value of such portion of the Investment as of the Termination Measurement Date shall be deemed Non-Cash Proceeds for purposes of calculating the Proceeds and (ii) the fair market value of anyNon-Cash Proceeds shall be determined by the Board in good faith as of the Termination Measurement Date.

Section 1.26 "Proprietary Information" shall mean (a) the name, address and/or contact information of any customer, supplier or affiliate of the Company or any information concerning the transactions or relations of any customer, supplier or affiliate of the Company or any of its shareholders; (b) any information concerning any product, service, technology or procedure offered or used by the Company or any of its affiliates, or under development by or being considered for use by the Company or any of its affiliates; (c) any information relating to marketing or pricing plans or methods, capital structure, or any business or strategic plans of the Company or any of its affiliates; (d) any inventions, innovations, trade secrets or other items covered by Sections 4.2 and 4.9; and (e) any other information which the Company or any of its affiliates has determined and communicated to the Optionee in writing to be proprietary information for purposes hereof; *provided*, *however*, that "Proprietary Information" shall not include any information that is or becomes generally known to the public other than through actions of the Optionee in violation of the restrictive covenants set forth in Article IV.

Section 1.27 "Restricted Period" shall mean the 18-month period following the Termination of Services Date; provided that, if the Termination of Services occurs while the Optionee is engaged as a Consultant (and the Optionee never constituted an Employee), then there shall be no Restricted Period for purposes of Section 4.4 following such Termination of Services. For the avoidance of doubt, the Restricted Period, without regard to the proviso directly above, will apply for purposes of Sections 4.5 and 4.6 following Termination of Services as a Consultant or otherwise.

Section 1.28 "Shares" shall have the meaning set forth in the Recitals.

Section 1.29 "Termination Measurement Date" shall mean the date of the Optionee's Termination of Services due to death or Disability prior to the first Change of Control following the Effective Date. For the avoidance of doubt, no such date shall occur on or after the first Change of Control following the Effective Date.

Section 1.30 "Termination of Services Date" shall mean the effective date of the Optionee's Termination of Services for any or no reason, including voluntary and involuntary termination of employment, consultancy or other service relationship (as determined by the Administrator).

Section 1.31 "Vested Option" shall mean, as of any date, the portion of the Option that has become vested on or prior to such date pursuant to Section 3.1(a) or (b) and has not been forfeited pursuant to Section 3.1(c) or otherwise. For the avoidance of doubt, the Vested Option as of the date of a Change of Control, shall be determined after taking into account any vesting pursuant to Section 3.1(b).

ARTICLE II.
GRANT OF OPTION

Section 2.1 Grant of Option. In consideration of the Optionee's agreement to enter into or remain in the employ of, consultancy to or other service relationship with the Company or one of its Subsidiaries and for other good and valuable consideration, as of the Grant Date, the Company irrevocably grants to the Optionee the Option to purchase any part or all of an aggregate of [_____] Shares, upon the terms and conditions set forth in the Plan and this Agreement.

Section 2.2 Option Subject to Plan. The Option granted hereunder is subject to the terms and provisions of the Plan, including without limitation, Section 5, 8, 9(a) and 10(d) thereof.

Section 2.3 Option Price. The purchase price of the Shares subject to the Option shall be $[_____] per share (without commission or other charge), which is not less than 100% of the Fair Market Value of a Share as of the Grant Date.

ARTICLE III.
VESTING AND EXERCISABILITY

Section 3.1 Vesting.

(a) Subject to Sections 3.1(b) and (c), the Option shall vest in five equal and cumulative installments on each of the first five anniversaries of the first calendar day of the month in which the Grant Date occurs; *provided* that the Optionee remains continuously employed or engaged in active service by the Company or any of its Subsidiaries (and no Termination of Services occurs) from the Grant Date through the applicable vesting date.

(b) Notwithstanding Section 3.1(a) (but subject to Section 3.1(c)), upon the consummation of a Change of Control or an Initial Public Offering, the Option shall become fully vested immediately prior to the effective date of such Change of Control or upon the effectiveness of such Initial Public Offering, as applicable; *provided* that the Optionee remains continuously employed or engaged in active service by the Company or any of its Subsidiaries (and no Termination of Services occurs) from the Grant Date through the consummation of such Change of Control or the effectiveness of such Initial Public Offering, as applicable.

(c) Unless otherwise determined by the Administrator, (i) upon Termination of Services for any reason, any portion of the Option that has not become vested on or prior to the Termination of Services Date shall be forfeited on such date and shall not thereafter become vested or exercisable, and (ii) upon a Termination of Services by the Optionee without Good Reason or by the Company for Cause, any portion of the Option that has become vested on or prior to the Termination of Services Date shall be forfeited on such date and shall not thereafter become exercisable. For the avoidance of doubt, no vested portion of the Option will be exercisable until the commencement of exercisability under Section 3.2.

Section 3.2 Commencement of Exercisability.

(a) Subject to Sections 3.2(b), 3.2(d) and 3.3, the Vested Option, as of each Measurement Date, shall become exercisable on such Measurement Date (and, with respect to a Measurement Date that is a Change of Control, immediately prior to such Change of Control) with respect to a number of Shares equal to the excess of (1) the MOIC Exercisable Amount (as defined below) for such Measurement Date (or, with respect to a Measurement Date that is a Change of Control, the IRR Exercisable Amount (as defined below) for such Measurement Date, if greater), over (2) the number of Shares with respect to the Option that had become exercisable prior to such Measurement Date:

(i) *MOIC Exercisable Amount.* For purposes of this Agreement, the "MOIC Exercisable Amount" shall, with respect to a Measurement Date, equal:

(A) No Shares subject to the Vested Option (as of such Measurement Date) if, as of such Measurement Date, the Principal Stockholder MOIC is less than 2.0;

(B) One-third of the shares subject to the Vested Option (as of such Measurement Date) if, as of such Measurement Date, the Principal Stockholder MOIC equals or exceeds 2.0, but is less than 2.5;

(C) Two-third of the shares subject to the Vested Option (as of such Measurement Date) if, as of such Measurement Date, the Principal Stockholder MOIC equals or exceeds 2.5, but is less than 3.0; or

(D) All of the shares subject to the Vested Option (as of such Measurement Date) if, as of such Measurement Date, the Principal Stockholder MOIC equals or exceeds 3.0.

(ii) *IRR Exercisable Amount.* For purposes of this Agreement, the "IRR Exercisable Amount" shall, with respect to a Measurement Date that is a Change of Control, equal:

(A) No Shares subject to the Vested Option (as of such Measurement Date) if, as of such Measurement Date, the Principal Stockholder IRR is less than 20%;

(B) One-half of the shares subject to the Vested Option (as of such Measurement Date) if, as of such Measurement Date the Principal Stockholder IRR equals or exceeds 20%, but is less than 25%; or

(C) All of the shares subject to the Vested Option (as of such Measurement Date) if, as of such Measurement Date, the Principal Stockholder IRR equals or exceeds 25%.

(iii) For the avoidance of doubt, the IRR Exercisable Amount shall not apply with respect to any Measurement Date that does not occur on the date of a Change of Control (i.e., no portion of the Option will be eligible to become exercisable based on Principal Stockholder IRR on an Initial Public Offering or any Measurement Date thereafter or the Termination Measurement Date).

(b) Unless otherwise determined by the Administrator, no portion of the Option which is unexercisable after the earlier of (i) the Measurement Date following which the Principal Stockholders no longer hold any Investment or (ii) the date of the first Change of Control following the Effective Date shall thereafter become exercisable (and such unexercisable portion shall be canceled automatically for no consideration on the earliest of such dates).

(c) The Board shall make the determination as to whether the targets for any Principal Stockholder MOIC and Principal Stockholder IRR for any Measurement Date have been met and shall determine the extent, if any, to which the Option has become exercisable on such Measurement Date.

(d) For the avoidance of doubt, and without limiting (and subject to compliance with) Sections 1.23 and 1.24, if, upon a Measurement Date, the exercisability of the Option (or portion thereof) on such Measurement Date and the participation of the Shares underlying such Option (or portion thereof) (and any such other options (or portions thereof)) in any transaction on such Measurement Date would result in the failure to satisfy any of the thresholds in Section 3.2(a)(i) or 3.2(a)(ii), as applicable (each, an "Investment Hurdle"), then the Option shall become exercisable as to the maximum percentage of Shares subject thereto that will result in, as of the Measurement Date, the achievement of the applicable Investment Hurdle taking into account the Shares subject to the Option (or portion thereof) (and any other options (or portions thereof) with respect to Shares) that so become exercisable and, if applicable, the participation of the Shares underlying such Option (or portion thereof) (and any such other options (or portions thereof)) in such transaction.

Section 3.3 Expiration of Option. The Option may not be exercised to any extent by anyone after the first to occur of the following events:

(a) The tenth anniversary of the Grant Date; or

(b) The Termination of Services Date upon Termination of Services by the Company for Cause or by the Optionee without Good Reason, immediately prior to such Termination of Services (and subject to such Termination of Services); or

(c) The date the Optionee first violates any of the restrictive covenants set forth in Article IV or any other written agreement by and between the Optionee and the Company or any of its affiliates.

Section 3.4 Partial Exercise. Any exercisable portion of the Vested Option or the entire Vested Option, if then wholly exercisable, may be exercised in whole or in part at any time prior to the time when the Vested Option or portion thereof becomes unexercisable; *provided, however,* that each partial exercise shall be for not less than 100 Shares and shall be for whole Shares only.

Section 3.5 Persons Eligible to Exercise. During the lifetime of the Optionee, only the Optionee may exercise the Option or any portion thereof. After the death of the Optionee, any exercisable portion of the Option may, prior to the time when the Option becomes unexercisable under Section 3.2, be exercised by the Optionee's personal representative or by any person empowered to do so under the deceased the Optionee's will or under the then applicable laws of descent and distribution.

Section 3.6 Manner of Exercise. The Option, or any exercisable portion thereof, may be exercised solely by delivery to the Secretary of the Company or the Secretary's office, or such other place as may be determined by the Administrator, of all of the following prior to the time when the Option or such portion thereof becomes unexercisable under Section 3.3:

(a) An exercise notice substantially in the form attached as Exhibit A hereto (or such other form as is prescribed by the Administrator) (the "Exercise Notice") in writing signed by the Optionee or any other person then entitled to exercise the Option or portion thereof, stating that the Option or portion thereof is thereby exercised, such notice complying with all applicable rules established by the Administrator; and

(b) Subject to Section 5(f) of the Plan:

(i) Full payment (in cash or by check) for the Shares with respect to which the Option or portion thereof is exercised; or

(ii) With the consent of the Administrator, by delivery of Shares then issuable upon exercise of the Option having a Fair Market Value on the date of delivery equal to the aggregate exercise price of the Option or exercised portion thereof; or

(iii) With the consent of the Administrator, through the (A) delivery by the Optionee to the Company of an irrevocable and unconditional undertaking by a broker acceptable to the Company to deliver promptly to the Company sufficient funds to pay the exercise price or (B) delivery by the Optionee to the Company or a copy of irrevocable and unconditional instructions to a broker acceptable to the Company to deliver promptly to the Company cash or a check sufficient to pay the exercise price; *provided* that payment is then made to the Company at such time as may be required by the Administrator; or

(iv) With the consent of the Administrator, any other method of payment permitted under the terms of the Plan; or

(v) Subject to any applicable laws, any combination of the consideration allowed under the foregoing paragraphs.

(c) The receipt by the Company of full payment for any applicable withholding tax in cash or by check or in the form of consideration to be agreed upon by the Optionee and the Administrator;

(d) A joinder or other agreement in the form provided by the Company signed by the Optionee or any other person then entitled to exercise the Option or portion thereof, stating that the Shares received upon exercise of the Option or portion thereof are subject to the terms of the Stockholder Agreement; and

(e) In the event the Option or portion thereof shall be exercised pursuant to Section 3.5 by any person or persons other than the Optionee, appropriate proof of the right of such person or persons to exercise the Option.

Section 3.7 Exercise of Option. The exercise of the Option shall be governed by the terms of this Agreement and the terms of the Plan, including, without limitation, the provisions of Section 5 of the Plan.

ARTICLE IV.
RESTRICTIVE COVENANTS

Section 4.1 Introduction. The parties acknowledge and agree that (a) the provisions and covenants contained in this Article IV (i) have been negotiated and are entered into in good faith as an ancillary agreement in connection with the grant of the Option contemplated by this Agreement, (ii) are material to this Agreement, (iii) are provided for, among other things, the protection of the Company's trade secrets, confidential and commercially-sensitive information, client and customer relationships, goodwill and reputation (which is an honest and just purpose), (iv) are reasonable in geographic and temporal scope and (v) do not impose a greater restriction or restraint than is necessary to protect the Company's trade secrets, confidential and commercially-sensitive information, client and customer relationships and contacts, goodwill, reputation and other legitimate business interests, (b) the Optionee (i) is employed or otherwise engaged as an independent contractor or other service provider by the Company, (ii) has been and/or will be provided with confidential and commercially-sensitive information regarding the Company and its business during his or her employment and/or service with the Company, and (iii) provides special, unique and extraordinary services to the Company, (c) the provisions of this Article IV do not adversely affect the Optionee's ability to earn a living in any capacity, stifle the Optionee's ability to use his or her inherent skills and experience, or otherwise impose undue hardship or oppression on the Optionee, and (d) the entitlement to the benefits provided to the Optionee under this Agreement, whether or not such benefits have vested and/or become exercisable, constitute sufficient consideration for all of the Optionee's covenants contained in this Article IV.

Section 4.2 Confidential Information. Except as permitted by the Board, during the term of the Optionee's employment and/or service with the Company and at all times thereafter, the Optionee shall not divulge, furnish or make accessible to anyone or use in any way other than in the ordinary course of the business of the Company, any confidential, proprietary or secret knowledge or information of the Company or any of its affiliates, whether developed by the Optionee or others, including but not limited to (a) trade secrets, (b) confidential and proprietary plans, developments, research, processes, designs, methods or material (whether or not patented or patentable), (c) customer and supplier lists, (d) strategic or other business, marketing or sales plans, (e) financial data and plans and (f) Proprietary Information. The Optionee acknowledges that the above-described knowledge and information constitute unique and valuable assets of the Company and represent a substantial investment of time and expense by the Company, and that any disclosure or other use of such knowledge or information other than for the sole benefit of the Company would be wrongful and would cause irreparable harm to the Company. During the term of the Optionee's employment and/or service with the Company, the Optionee shall refrain from any acts or omissions that would reduce the value of such knowledge or information to the Company. The foregoing obligations of confidentiality shall not apply to any knowledge or information that (i) is now or subsequently becomes generally publicly known for reasons other than the Optionee's violation of this Agreement, (ii) is independently made available to the Optionee in good faith by a third party who has not violated a confidential relationship with the Company, or (iii) is required to be disclosed by legal process, other than as a direct or indirect result of the breach of this Agreement by the Optionee.

Section 4.3 Ventures. If, during the Optionee's employment and/or service with the Company, the Optionee is engaged in or associated with the planning or implementing of any project, program or venture involving the Company, all rights in such project, program or venture shall belong to the Company, as applicable. Except as approved in writing by the Board, the Optionee shall not be entitled to any interest in any such project, program or venture or to any commission, finder's fee or other compensation in connection therewith. The Optionee shall have no interest, direct or indirect, in any customer or supplier that conducts business with the Company, provided that a passive investment of less than 2.5% of the outstanding shares of capital stock of any customer or supplier listed on a national securities exchange or publicly traded in the over-the-counter market shall not constitute a breach of this sentence.

Section 4.4 Agreement Not to Compete. During the term of the Optionee's employment and/or service with the Company and during the Restricted Period, regardless of the reason for such termination and regardless of whether the termination is initiated by the Company or Optionee, the Optionee shall not, directly or indirectly, engage in any manner or capacity (including without limitation as a proprietor, owner, principal, agent, partner, officer, director, employee, member of any association, consultant or otherwise) in any Company Business (as defined below) in the Territory (as defined below). For purposes of this Article IV, (a) "Company" means LTF Holdings, Inc. and any parent, affiliated, related and/or direct or indirect subsidiary entity thereof, (b) "Company Business" means (i) the design, development, operation, management, advertisement, promotion, solicitation, marketing or sale of health and fitness clubs or health and fitness club memberships, (ii) any services, products or programs offered by health and fitness clubs, including but not limited to personal training, nutritional supplements; health testing or health assessments; wellness services or programs (whether direct to consumer or business to business); weight loss services or programs; kids activities; salons, spas, and medical spas; restaurants or cafes; athletic events and related services (including race timing and registration), and (iii) any other product or service that grows into a material business for the Company (or is under development and is projected to grow into a material business for the Company) as of the Optionee's Termination of Services Date, and (c) "Territory" means the United States, Canada and any other country in which the Company is then doing Company Business as of the Optionee's Termination of Services Date. Ownership by the Optionee, as a passive investment, of less than 2.5% of the outstanding shares of capital stock of any corporation listed on a national securities exchange or publicly traded in the over-the-counter market shall not constitute a breach of this Section 4.4.

Section 4.5 Agreement Not to Solicit or Hire Employees. During the term of the Optionee's employment and/or service with the Company and during the Restricted Period, regardless of the reason for such termination and regardless of whether the termination is initiated by the Company or Optionee, the Optionee shall not, in any manner or capacity (including without limitation as a proprietor, owner, principal, agent, partner, officer, director, stockholder, employee, member of any association, consultant or otherwise), directly or indirectly, hire, engage or solicit for the purpose of employing or otherwise engaging any person who is then an employee of the Company or who was an employee of the Company as of the Optionee's Termination of Services Date or at any time in the six-month period prior to such hiring, engagement or solicitation.

Section 4.6 Agreement Not to Solicit Business Relations. During the term of the Optionee's employment and/or service with the Company and during the Restricted Period, regardless of the reason for such termination and regardless of whether the termination is initiated by the Company or Optionee, the Optionee shall not, in any manner or capacity (including without limitation as a proprietor, owner, principal, agent, partner, officer, director, stockholder, employee, member of any association, consultant or otherwise), directly or indirectly, solicit, request, advise or induce any current or potential customer, member, supplier or other business contact of the Company to cancel, curtail or otherwise change its relationship with the Company.

Section 4.7 Blue Pencil Doctrine. If the duration of, the scope of or any business activity covered by any provision of this Article IV is found by a court of competent jurisdiction to be in excess of what is valid and enforceable under applicable law, such provision shall be construed to cover only that duration, scope or activity that is valid and enforceable, and all other provisions of this Article IV shall remain in full force and effect. The Optionee hereby acknowledges that this Article IV shall be given the construction that renders its provisions valid and enforceable to the maximum extent, not exceeding its express terms, possible under applicable law. Notwithstanding anything to the contrary, this Section 4.7 shall in no event apply to the extent its application would render this Article IV (or any portion thereof) unenforceable under applicable law.

Section 4.8 Return of Records and Property. On or within thirty (30) days of the Termination of Services Date or at any other time as required by the Company, the Optionee shall promptly deliver to the Company any and all Company records and any and all Company property in the Optionee's possession or under the Optionee's control, and all copies thereof, including without limitation manuals, books, blank forms, documents, letters, memoranda, notes, notebooks, reports, printouts, computer disks, computer tapes, source codes, data, tables or calculations, keys, access cards, access codes, passwords, credit cards, personal computers, telephones and other electronic equipment belonging to the Company, and shall also permanently delete all Company email, all Company customer, member, supplier or other business contacts' information, and all other Company information from the Optionee's computer, mobile phone and other electronic devices.

Section 4.9 Protectable Material; Trade Secrets.

(a) All right, title and interest in all discoveries, inventions, improvements, innovations and other material that the Optionee shall conceive or originate individually or jointly or commonly with others during the term of the Optionee's employment and/or service with the Company (i) that are directly related to the business of the Company or to the Company's actual or demonstrably anticipated research or development, or that results from any work performed by the Optionee for the Company, (ii) for which any equipment, supplies, facility or trade secret information of the Company was used and/or (iii) which was not developed entirely on the Optionee's own time, whether or not patentable, copyrightable, or registrable as a trademark ("Protectable Material"), shall be the property of the Company and are hereby assigned by the

Optionee to the Company (and the Optionee agrees to assign all Protectable Material to the Company in the future), along with ownership of any and all patents, copyrights, trademarks and other intellectual property rights in the Protectable Material. Upon request and without further compensation therefor, but at no expense to the Optionee, the Optionee shall execute any and all papers and perform all other acts necessary to assist the Company to obtain and register patents, copyrights, trademarks and other intellectual property rights on the Protectable Materials in any and all countries. Where applicable, works of authorship created by the Optionee for the Company in performing the Optionee's duties and responsibilities hereunder shall be considered "works made for hire," as defined in the U.S. Copyright Act.

(b) All trade secret information conceived or originated by the Optionee that arises during the term of the Optionee's employment and/or service with the Company and out of the performance of the Optionee's duties and responsibilities to the Company or any related material or information shall be the property of the Company, and all rights therein are hereby assigned by the Optionee to the Company.

(c) Notwithstanding the foregoing, the Optionee understands that this Agreement does not require assignment of any invention to the extent such invention qualifies for protection under Section 181.78 of the 2015 Minnesota Statutes, as may be amended from time to time, and the current text of which is attached hereto as Annex 1 to Exhibit B. The Optionee hereby acknowledges that the Company has provided him or her with the notification set forth on Exhibit B (and the annex attached thereto) on the date hereof and the Optionee shall sign such notification as soon as reasonably practicable after the date hereof.

(d) Notwithstanding the foregoing, the Optionee understands that pursuant to the Defend Trade Secrets Act of 2016, the Optionee shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

Section 4.10 Non-Disparagement. The Optionee will not malign, defame or disparage the reputation, character, image, products or services of the Company, or the reputation or character of the Company's directors, officers, employees, shareholders or agents, either orally or in writing, at any time; *provided* that nothing in this Section 4.10 shall be construed to limit or restrict the Optionee from providing truthful information to the extent required by applicable law in connection with any legal proceeding, government investigation or other legal matter.

Section 4.11 Enforcement. The Optionee acknowledges that the provisions of Article IV are reasonable and necessary to protect the legitimate interests of the Company, and that any violation of those provisions by the Optionee would cause real, immediate, substantial and irreparable harm to the Company to such an extent that monetary damages alone would be an inadequate remedy therefor. Therefore, in the event of any actual or threatened breach of any provision of Article IV, the Company shall, in addition to any other remedies it may have, be entitled to injunctive and other equitable relief to enforce such provisions and to restrain the Optionee from violating or continuing to violate such provisions, and such relief may be granted without the necessity of proving actual monetary damages or posting bond. The Optionee agrees that the Restricted Period shall be tolled, and shall not run, during any period of time in which he or she is in violation of the terms of Section 4.4, 4.5 or 4.6, in order that the Company and its affiliates shall have all of the agreed-upon temporal protection recited herein. No breach of any provision of this Agreement by the Company, or any other claimed breach of contract or violation

of law, or change in the nature or scope of the Optionee's employment and/or service relationship with the Company, shall operate to extinguish the Optionee's obligation to comply with Article IV. The Company (including, without limitation, its affiliates) shall have the right to enforce all of the Optionee's obligations to the Company under this Agreement, including without limitation pursuant to Article IV, and the Company shall be entitled to assign its rights under this Article IV without the Optionee's consent. The Optionee covenants and agrees that he or she has received adequate consideration for his or her obligations contained in Article IV, and will not take the position that the covenants contained in Article IV are void for lack of consideration. The Optionee will be responsible for any and all attorneys' fees and costs the Company incurs in enforcing the Optionee's obligations contained in Article IV.

ARTICLE V.
OTHER PROVISIONS

Section 5.1 Not a Contract of Employment or Services. Nothing in this Agreement or in the Plan shall confer upon the Optionee any right to continue in the employ or engagement of the Company or any of its Subsidiaries or affiliates or shall interfere with or restrict in any way the rights of the Company and its Subsidiaries and affiliates, which are hereby expressly reserved, to discharge the Optionee at any time for any reason whatsoever, with or without Cause, except as may otherwise be provided by any written agreement entered into by and between the Company and the Optionee.

Section 5.2 Shares Subject to Plan and Stockholders Agreement; Entire Agreement. The Optionee acknowledges that any shares acquired upon exercise of the Option are subject to the terms of the Plan and the Stockholders Agreement. The terms of this Agreement are intended by the parties to be the final expression of their agreement with respect to the subject matter hereof and may not be contradicted by evidence of any prior or contemporaneous agreement. The parties further intend that this Agreement (together with the Plan and the Stockholders Agreement) shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever may be introduced in any judicial, administrative, or other legal proceeding to vary the terms of this Agreement.

Section 5.3 Construction. This Agreement shall be administered, interpreted and enforced under the internal laws of the State of Delaware, without regard to the principles of conflicts of law thereof, or principles of conflicts of law of any other jurisdiction which could cause the application of the laws of any jurisdiction other than the State of Delaware.

Section 5.4 Jurisdiction and Venue. The Optionee and the Company consent to jurisdiction of the courts of the State of Delaware and/or the United States District Court, District of Delaware, for the purpose of resolving all issues of law, equity, or fact, arising out of or in connection with this Agreement. Any action involving claims of a breach of this Agreement shall be brought in such courts. By execution and delivery of this Agreement, each party irrevocably consents to service of process out of any of the aforementioned courts in any such action or proceeding by the making of copies thereof by registered or certified mail, postage prepaid, or by recognized express carrier or delivery service, to the applicable party at his, her or its address referred to herein. Each of the parties hereto irrevocably waives any objection which he, she or it may not or hereafter have to the laying of venue for the purposes of all such suits arising out of or in connection with this Agreement, or any related agreement, certificate or instrument referred to above, and hereby further irrevocably waives and agrees, to the fullest extent permitted by applicable law, not to plead or claim in any such court that any such action or proceeding brought in any such court has been brought in an inconvenient forum. Each of the parties consents to personal jurisdiction over such party in the aforementioned courts and hereby waives any defense of lack of personal jurisdiction. Venue, for the purpose of all such suits, shall be exclusively in Wilmington, Delaware.

Section 5.5 Conformity to Securities Laws. The Optionee acknowledges that the Plan is intended to conform to the extent necessary with all provisions of the Securities Act and the Exchange Act and any and all regulations and rules promulgated thereunder by the Securities and Exchange Commission, including without limitation Rule 16b-3. Notwithstanding anything herein to the contrary, the Plan shall be administered, and the Option is granted and may be exercised, only in such a manner as to conform to such laws, rules and regulations. To the extent permitted by applicable law, the Plan and this Agreement shall be deemed amended to the extent necessary to conform to such laws, rules and regulations.

Section 5.6 Amendment. The Option may be wholly or partially amended at any time or from time to time by the Administrator in its discretion; provided that if such amendment materially impairs the rights of the Optionee hereunder, no such amendment shall be effective until consented to in writing by the Optionee.

Section 5.7 Stockholder Approval.

(a) Except as otherwise provided in Section 5.7(b), in the event that the Company determines that any right to receive the Option or payment or other benefit under this Agreement (including, without limitation, the acceleration of the vesting and/or exercisability of the Option and taking into account the effect of this Section) or any other agreement by and between the Optionee and the Company, to or for the benefit of the Optionee (the "Payments"), would, in whole or part when aggregated with any other right, payment or benefit to or for the Optionee under all other agreements or benefit plans of the Company, be nondeductible by the Company (or other person making such payment or providing such benefit) as a result of Section 280G of the Code and/or would subject the Optionee to the excise tax imposed by Section 4999 of the Code (the "Excise Tax") then, to the extent necessary to make the Payments deductible and to exempt the Payments from the Excise Tax (but only to such extent and after taking into account any reduction in the Payments relating to Section 280G of the Code under any other plan, arrangement or agreement), the Option or any other right, payment or benefit under this Agreement shall not become exercisable, vested or paid.

(b) Notwithstanding any other provision of this Agreement, the provisions of Section 5.7(a) shall not apply to reduce the Payments if the Payments that would otherwise be nondeductible under Section 280G of the Code and/or would subject the Optionee to the Excise Tax are disclosed to and approved by the Company's stockholders in accordance with Section 280G(b)(5)(B) of the Code and the Department of Treasury regulations thereunder.

(c) The Company shall use commercially reasonable efforts to prepare and deliver to its stockholders the disclosure required by Section 280G(b)(5)(B) of the Code with respect to the Payments and to seek the approval of the Company's stockholders in accordance with Section 280G(b)(5)(B) of the Code and the Department of Treasury regulations thereunder.

Section 5.8 Section 409A. The Company shall undertake to administer, interpret and construe this Agreement in a manner that does not result in the imposition on the Optionee of any additional tax, penalty or interest under Section 409A, and to comply with Section 409A to the extent applicable. Notwithstanding any provision of this Agreement to the contrary, in the event that the Company determines in good faith that any provision of this Agreement would cause the Optionee to incur an additional tax, penalty or interest under Section 409A, the Company and Optionee shall cooperate in good faith to (a) adopt such amendments to this Agreement and appropriate policies and procedures, including amendments and policies with retroactive effect, as the Company and Optionee determine to be necessary or appropriate to preserve the intended tax treatment of the benefits provided by this Agreement, to preserve the economic benefits of this Agreement and to avoid less favorable

accounting or tax consequences for the Company and/or (b) take such other actions as the Company and Optionee determine to be necessary or appropriate to exempt the amounts payable hereunder from Section 409A or to comply with the requirements of Section 409A and thereby avoid the application of penalty taxes thereunder. No provision of this Agreement shall be interpreted or construed to transfer any liability for failure to comply with the requirements of Section 409A from the Optionee or any other individual to the Company or any of its affiliates, employees or agents.

Section 5.9 Tax Consultation. The Optionee acknowledges and agrees that his or her entry into this Agreement and participation in the Plan is voluntary and there may be tax consequences as a result of his or her receipt of the Option and/or the purchase or disposition of the Shares underlying the Option. The Optionee represents that he or she (a) has consulted with any tax consultants he or she deems advisable in connection with this Agreement, the receipt of the Option, and the purchase or disposition of the Shares underlying the Option, and (b) is not relying on the Company for any tax advice. The Optionee is relying solely on such advisors and not on any statements or representations of the Company or any of its agents. The Optionee understands that he or she (and not the Company) shall be solely responsible for the Optionee's tax liability that may arise as a result of this investment or the transactions contemplated by this Agreement.

[signature page follows]

IN WITNESS WHEREOF, this Agreement has been executed and delivered by the parties hereto as of the date first above written.

LTF HOLDINGS, INC.

By: _____

Its: _____

OPTIONEE

_____

[Optionee Name]

Residence Address:

_____

_____

Optionee's Social Security Number:

_____

EXHIBIT A

TO STOCK OPTION AGREEMENT

FORM OF EXERCISE NOTICE

Effective as of today, _____, _____, the undersigned *("**Optionee**")* hereby elects to exercise Optionee's option to purchase_____ Shares of LTF Holdings, Inc. (the "***Company***") under and pursuant to the LTF Holdings, Inc. 2015 Equity Incentive Plan (the "***Plan***") and the Non-Qualified Stock Option Agreement dated _____ (the "***Option Agreement***", and such election to exercise, the "***Exercise Notice***"). Capitalized terms used herein without definition shall have the meanings given in the Option Agreement.

Grant Date:	_____
Number of Shares as to which Option is Exercised:	_____
Exercise Price per Share:	$_____
Total Exercise Price:	$_____
Certificate to be issued in name of:	_____
Cash Payment delivered herewith:	$_____ (Representing the full Exercise Price for the Shares, as well as any applicable withholding tax)

Type of Option: ¨ Incentive Stock Option ¨ Non-Qualified Stock Option

1. Representations of Optionee. Optionee acknowledges that Optionee has received, read and understood the Plan and the Option Agreement. Optionee agrees to abide by and be bound by their terms and conditions.

2. Tax Consultation. Optionee understands that Optionee may suffer adverse tax consequences as a result of Optionee's purchase or disposition of the Shares. Optionee represents that Optionee has consulted with any tax consultants Optionee deems advisable in connection with the purchase or disposition of the Shares and that Optionee is not relying on the Company for any tax advice. Optionee is relying solely on such advisors and not on any statements or representations of the Company or any of its agents. Optionee understands that Optionee (and not the Company) shall be responsible for Optionee's tax liability that may arise as a result of this investment or the transactions contemplated by this Exercise Notice.

3. Restrictive Legends and Stop-Transfer Orders.

(a) Legends. Optionee understands and agrees that the Company shall cause any certificates issued evidencing the Shares to have the legends set forth below or legends substantially equivalent thereto, together with any other legends that may be required by state or federal securities laws:

> THE SHARES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED ("ACT"), NOR HAVE THEY BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE. NO TRANSFER OF SUCH SECURITIES WILL BE PERMITTED

UNLESS A REGISTRATION STATEMENT UNDER THE ACT IS IN EFFECT AS TO SUCH TRANSFER, THE TRANSFER IS MADE IN ACCORDANCE WITH RULE 144 UNDER THE ACT, OR IN THE OPINION OF COUNSEL (WHICH MAY BE COUNSEL FOR THE COMPANY) REGISTRATION UNDER THE ACT IS UNNECESSARY IN ORDER FOR SUCH TRANSFER TO COMPLY WITH THE ACT AND WITH APPLICABLE STATE SECURITIES LAWS.

THE SHARES REPRESENTED BY THIS CERTIFICATE MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF AN AGREEMENT BETWEEN THE COMPANY AND THE STOCKHOLDER, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY. SUCH TRANSFER RESTRICTIONS ARE BINDING ON TRANSFEREES OF THESE SHARES.

(b) Optionee agrees that, in order to ensure compliance with the restrictions referred to herein, the Company may issue appropriate "stop transfer" instructions to its transfer agent, if any, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

(c) The Company shall not be required (i) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of the Option Agreement or the Stockholders Agreement or (ii) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such Shares shall have been so transferred.

4. Further Instruments. Optionee hereby agrees to execute such further instruments and to take such further action as the Company determines are reasonably necessary to carry out the purposes and intent of the Option Agreement and this Exercise Notice.

5. Entire Agreement. The Plan, the Option Agreement and the Stockholders Agreement are incorporated herein by reference. This Exercise Notice, the Plan, the Option Agreement and the Stockholders Agreement constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Optionee with respect to the subject matter hereof.

ACCEPTED BY:
LTF HOLDINGS, INC.

By: _____
Print Name: _____
Title: _____

SUBMITTED BY
OPTIONEE:

By: _____
Print Name: _____

Address: _____
_____

EXHIBIT B

TO STOCK OPTION AGREEMENT

LIMITED EXCLUSION NOTIFICATION

THIS IS TO NOTIFY YOU that, notwithstanding anything to the contrary in that certainNon-Qualified Stock Option Agreement between you and LTF Holdings, Inc. (the "Company"), dated as of March ___, 2017 (the "Option Agreement"), the Option Agreement does not require assignment of any invention to the extent such invention qualifies for protection under Section 181.78 of the 2015 Minnesota Statutes, as may be amended from time to time. The current text of the aforementioned statute is attached hereto as Annex 1.

I, _____ , acknowledge receipt of a copy of this notification (and the annex thereto).

_____

_____
Date

Annex 1

Section 181.78 of the 2015 Minnesota Statutes

As of the date of this Agreement, Section 181.78 of the 2015 Minnesota Statutes is as follows:

181.78 AGREEMENTS; TERMS RELATING TO INVENTIONS.

Subdivision 1. **Inventions not related to employment**. Any provision in an employment agreement which provides that an employee shall assign or offer to assign any of the employee's rights in an invention to the employer shall not apply to an invention for which no equipment, supplies, facility or trade secret information of the employer was used and which was developed entirely on the employee's own time, and (1) which does not relate (a) directly to the business of the employer or (b) to the employer's actual or demonstrably anticipated research or development, or (2) which does not result from any work performed by the employee for the employer. Any provision which purports to apply to such an invention is to that extent against the public policy of this state and is to that extent void and unenforceable.

Subd. 2. **Effect of subdivision 1**. No employer shall require a provision made void and unenforceable by subdivision 1 as a condition of employment or continuing employment.

Subd. 3. **Notice to employee**. If an employment agreement entered into after August 1, 1977 contains a provision requiring the employee to assign or offer to assign any of the employee's rights in any invention to an employer, the employer must also, at the time the agreement is made, provide a written notification to the employee that the agreement does not apply to an invention for which no equipment, supplies, facility or trade secret information of the employer was used and which was developed entirely on the employee's own time, and (1) which does not relate (a) directly to the business of the employer or (b) to the employer's actual or demonstrably anticipated research or development, or (2) which does not result from any work performed by the employee for the employer.

NON-QUALIFIED STOCK OPTION AGREEMENT
OF
LTF HOLDINGS, INC.

THIS AGREEMENT (the "Agreement") is entered into as of ____, 20__ (the "Grant Date") by and between LTF Holdings, Inc., a Delaware corporation (the "Company"), and [ ], an employee, consultant or director of the Company or one of its Subsidiaries (hereinafter referred to as, the "Optionee").

WHEREAS, the Board has approved the LTF Holdings, Inc. 2015 Equity Incentive Plan (as it may be amended from time to time, the "Plan"), the terms of which are hereby incorporated by reference and made a part of this Agreement;

WHEREAS, the Administrator (as defined in the Plan) has determined that it would be to the advantage and best interest of the Company and its shareholders to grant the Non-Qualified Stock Option to purchase [ ] shares of Common Stock (the "Shares") as provided for herein to the Optionee as an inducement to enter into or remain in the service of the Company or one of its Subsidiaries and as an incentive for increased efforts during such service, and has advised the Company thereof and instructed the undersigned officers to issue said Option; and

WHEREAS, the Optionee has entered into the Stockholders Agreement (as defined in the Plan).

NOW, THEREFORE, in consideration of the mutual covenants contained herein, including those set forth in Article IV hereof, and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto do hereby agree as follows:

ARTICLE I.
DEFINITIONS

Whenever the following terms are used in this Agreement, they shall have the meaning specified below unless the context clearly indicates to the contrary. Capitalized terms used in this Agreement and not defined below shall have the meaning given such terms in the Plan. The singular pronoun shall include the plural, where the context so indicates.

Section 1.1 "Change of Control" shall mean (a) the sale of all or substantially all of the assets of the Company to any other person or entity (other than the Company, any of its Subsidiaries, any of the Principal Stockholders, or any employee benefit plan maintained by the Company or any of its Subsidiaries), or (b) a change in beneficial ownership or control of the Company effected through a transaction or series of transactions (other than an offering of Common Stock or other securities to the general public through a registration statement filed with the Securities and Exchange Commission) whereby any "person" or related "group" of "persons" (as such terms are used in Sections 13(d) and 14(d)(2) of the Exchange Act) (other than the Company, any of its Subsidiaries, any of the Principal Stockholders, or any employee benefit plan maintained by the Company or any of its Subsidiaries), directly or indirectly acquires beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of securities of the Company possessing more than 50% of the total combined voting power of such entity's securities outstanding immediately after such acquisition.

Section 1.2 "Common Stock" shall mean shares of common stock, par value $0.01, of LTF Holdings, Inc.

Section 1.3 "Company" shall, except as set forth in Article IV, have the meaning set forth in the preamble hereto.

Section 1.4 "Disability" shall mean "Disability" as defined in any written employment agreement between the Optionee and the Company or any of its Subsidiaries; *provided* that, in the absence of such an agreement containing such definition, "Disability" shall mean the Optionee has become physically or mentally incapacitated or disabled such that the Optionee is unable to perform for the Company substantially the same services as the Optionee performed prior to incurring such incapacity or disability, and such incapacity or disability exists for an aggregate of four (4) calendar months in any twelve (12) month period (as determined in good faith by the Administrator). In connection with making the Administrator's determination, the Company, at its option and expense, shall be entitled to select and retain a physician to confirm the existence of such incapacity or disability, and the determination made by such physician shall be binding on the parties for the purposes of this Agreement.

Section 1.5 "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

Section 1.6 "Good Reason" shall mean "Good Reason" as defined in any written employment agreement between the Optionee and the Company or any of its Subsidiaries; *provided* that, in the absence of such an agreement containing such definition, "Good Reason" shall mean, without the Optionee's express written consent, any of the following conditions shall occur, provided that none of the following conditions shall constitute Good Reason unless the Optionee first gives written notice to the Company within 90 days of the first occurrence of the condition, delineating the claimed facts or circumstances constituting Good Reason and setting forth the Optionee's intention to terminate the Optionee's employment if such breach is not duly remedied within 30 business days, and the Company fails to cure the condition within such 30-business day period:

(a) the Company has breached any material term(s) or material condition(s) of this Agreement, which breach was not caused by the Optionee; or

(b) the Company relocates its executive offices outside of a seventy-five (75) mile radius of its location as of the Grant Date, and the relocation results in a material change to the geographic location at which the Optionee performs services.

Section 1.7 "Grant Date" shall have the meaning set forth in the preamble hereto.

Section 1.8 "Initial Public Offering" shall mean an initial underwritten offering of Common Stock or securities of the Company or any affiliate of the Company to the general public through a registration statement filed with the Securities and Exchange Commission (other than on Form S-3, S-4 or S-8 or any similar successor form or another form used for a purpose similar to the intended use of any such form).

Section 1.9 "IPO Measurement Date" shall mean the first date following the expiration of the lock-up period applicable to the Optionee related to the Initial Public Offering.

Section 1.10 "Measurement Date" shall mean (a) the date of a Change of Control, (b) the IPO Measurement Date and (c) the Termination Measurement Date.

Section 1.11 "Option" shall mean the Non-Qualified Stock Option to purchase Common Stock granted under this Agreement.

Section 1.12 "Optionee" shall have the meaning set forth in the preamble hereto.

Section 1.13 "Plan" shall have the meaning set forth in the Recitals hereto.

Section 1.14 "Proprietary Information" shall mean (a) the name, address and/or contact information of any customer, supplier or affiliate of the Company or any information concerning the transactions or relations of any customer, supplier or affiliate of the Company or any of its shareholders; (b) any information concerning any product, service, technology or procedure offered or used by the Company or any of its affiliates, or under development by or being considered for use by the Company or any of its affiliates; (c) any information relating to marketing or pricing plans or methods, capital structure, or any business or strategic plans of the Company or any of its affiliates; (d) any inventions, innovations, trade secrets or other items covered by Sections 4.2 and 4.9; and (e) any other information which the Company or any of its affiliates has determined and communicated to the Optionee in writing to be proprietary information for purposes hereof; *provided*, *however*, that "Proprietary Information" shall not include any information that is or becomes generally known to the public other than through actions of the Optionee in violation of the restrictive covenants set forth in Article IV.

Section 1.15 "Restricted Period" shall mean the 18-month period following the Termination of Services Date.

Section 1.16 "Shares" shall have the meaning set forth in the Recitals.

Section 1.17 "Subsidiary" shall mean any entity (other than the Company), whether domestic or foreign, in an unbroken chain of entities beginning with the Company if each of the entities other than the last entity in the unbroken chain beneficially owns, at the time of the determination, securities or interests representing at least fifty percent (50%) of the total combined voting power of all classes of securities or interests in one of the other entities in such chain.

Section 1.18 "Termination Measurement Date" shall mean the date of the Optionee's Termination of Services due to death or Disability.

Section 1.19 "Termination of Services Date" shall mean the effective date of the Optionee's Termination of Services for any or no reason, including voluntary and involuntary termination of employment, consultancy or other service relationship (as determined by the Administrator).

Section 1.20 "Vested Option" shall mean, as of any date, the portion of the Option that has become vested on or prior to such date pursuant to Section 3.1(a) and has not been forfeited pursuant to Section 3.1(b) or otherwise.

ARTICLE II.
GRANT OF OPTION

Section 2.1 Grant of Option. In consideration of the Optionee's agreement to enter into or remain in the employ of, consultancy to or other service relationship with the Company or one of its Subsidiaries and for other good and valuable consideration, as of the Grant Date, the Company irrevocably grants to the Optionee the Option to purchase any part or all of an aggregate of [ ] Shares, upon the terms and conditions set forth in the Plan and this Agreement.

Section 2.2 Option Subject to Plan. The Option granted hereunder is subject to the terms and provisions of the Plan, including without limitation, Sections 5, 8, 9(a) and 10(d) thereof.

Section 2.3 Option Price. The purchase price of the Shares subject to the Option shall be $____ per share (without commission or other charge), which is not less than 100% of the Fair Market Value of a Share as of the Grant Date.

ARTICLE III.
VESTING AND EXERCISABILITY

Section 3.1 Vesting.

(a) Subject to Section 3.1(b), the Option shall vest in four equal and cumulative installments on each of the first four anniversaries of the first calendar day of the month in which the Grant Date occurs; *provided* that the Optionee remains continuously employed or engaged in active service by the Company or any of its Subsidiaries (and no Termination of Services occurs) from the Grant Date through the applicable vesting date.

(b) Unless otherwise determined by the Administrator, (i) upon Termination of Services for any reason, any portion of the Option that has not become vested on or prior to the Termination of Services Date shall be forfeited on such date and shall not thereafter become vested or exercisable, and (ii) upon a Termination of Services by the Company for Cause, any portion of the Option that has become vested on or prior to the Termination of Services Date shall be forfeited on such date and shall not thereafter become exercisable. For the avoidance of doubt, no vested portion of the Option will be exercisable until the commencement of exercisability under Section 3.2.

Section 3.2 Commencement of Exercisability. Subject to Section 3.3, the Vested Option shall become exercisable on the occurrence of the first Measurement Date to occur following the Grant Date (or, if later, the date the applicable portion of the Option became a Vested Option).

Section 3.3 Expiration of Option. The Option may not be exercised to any extent by anyone after the first to occur of the following events:

(a) The tenth anniversary of the Grant Date;

(b) The Termination of Services Date upon Termination of Services by the Company for Cause, immediately prior to such Termination of Services (and subject to such Termination of Services);

(c) Upon a Termination of Services by the Optionee without Good Reason (other than due to death or Disability), the later of (i) the six-month anniversary of such Termination of Services Date and (ii) the six-month anniversary of the first Measurement Date to occur following the Grant Date; or

(d) The date the Optionee first violates any of the restrictive covenants set forth in Article IV or any other written agreement by and between the Optionee and the Company or any of its affiliates.

Section 3.4 Partial Exercise. Any exercisable portion of the Vested Option or the entire Vested Option, if then wholly exercisable, may be exercised in whole or in part at any time prior to the time when the Vested Option or portion thereof becomes unexercisable; *provided, however,* that each partial exercise shall be for not less than 100 Shares and shall be for whole Shares only.

Section 3.5 Persons Eligible to Exercise. During the lifetime of the Optionee, only the Optionee may exercise the Option or any portion thereof. After the death of the Optionee, any exercisable portion of the Option may, prior to the time when the Option becomes unexercisable under Section 3.3, be exercised by the Optionee's personal representative or by any person empowered to do so under the deceased the Optionee's will or under the then applicable laws of descent and distribution.

Section 3.6 Manner of Exercise. The Option, or any exercisable portion thereof, may be exercised solely by delivery to the Secretary of the Company or the Secretary's office, or such other place as may be determined by the Administrator, of all of the following prior to the time when the Option or such portion thereof becomes unexercisable under Section 3.3:

(a) An exercise notice substantially in the form attached as Exhibit A hereto (or such other form as is prescribed by the Administrator) (the "Exercise Notice") in writing signed by the Optionee or any other person then entitled to exercise the Option or portion thereof, stating that the Option or portion thereof is thereby exercised, such notice complying with all applicable rules established by the Administrator; and

(b) Subject to Section 5(f) of the Plan:

(i) Full payment (in cash or by check) for the Shares with respect to which the Option or portion thereof is exercised; or

(ii) With the consent of the Administrator, by delivery of Shares then issuable upon exercise of the Option having a Fair Market Value on the date of delivery equal to the aggregate exercise price of the Option or exercised portion thereof; or

(iii) With the consent of the Administrator, through the (A) delivery by the Optionee to the Company of an irrevocable and unconditional undertaking by a broker acceptable to the Company to deliver promptly to the Company sufficient funds to pay the exercise price or (B) delivery by the Optionee to the Company or a copy of irrevocable and unconditional instructions to a broker acceptable to the Company to deliver promptly to the Company cash or a check sufficient to pay the exercise price; *provided* that payment is then made to the Company at such time as may be required by the Administrator; or

(iv) With the consent of the Administrator, any other method of payment permitted under the terms of the Plan; or

(v) Subject to any applicable laws, any combination of the consideration allowed under the foregoing paragraphs.

(c) The receipt by the Company of full payment for any applicable withholding tax in cash or by check or in the form of consideration to be agreed upon by the Optionee and the Administrator;

(d) A joinder or other agreement in the form provided by the Company signed by the Optionee or any other person then entitled to exercise the Option or portion thereof, stating that the Shares received upon exercise of the Option or portion thereof are subject to the terms of the Stockholder Agreement; and

(e) In the event the Option or portion thereof shall be exercised pursuant to Section 3.5 by any person or persons other than the Optionee, appropriate proof of the right of such person or persons to exercise the Option.

Section 3.7 Exercise of Option. The exercise of the Option shall be governed by the terms of this Agreement and the terms of the Plan, including, without limitation, the provisions of Section 5 of the Plan.

ARTICLE IV.
RESTRICTIVE COVENANTS

Section 4.1 Introduction. The parties acknowledge and agree that (a) the provisions and covenants contained in this Article IV (i) have been negotiated and are entered into in good faith as an ancillary agreement in connection with the grant of the Option contemplated by this Agreement, (ii) are material to this Agreement, (iii) are provided for, among other things, the protection of the Company's trade secrets, confidential and commercially-sensitive information, client and customer relationships, goodwill and reputation (which is an honest and just purpose), (iv) are reasonable in geographic and temporal scope and (v) do not impose a greater restriction or restraint than is necessary to protect the Company's trade secrets, confidential and commercially-sensitive information, client and customer relationships and contacts, goodwill, reputation and other legitimate business interests, (b) the Optionee (i) is employed or otherwise engaged as an independent contractor or other service provider by the Company, (ii) has been and/or will be provided with confidential and commercially-sensitive information regarding the Company and its business during his or her employment and/or service with the Company, and (iii) provides special, unique and extraordinary services to the Company, (c) the provisions of this Article IV do not adversely affect the Optionee's ability to earn a living in any capacity, stifle the Optionee's ability to use his or her inherent skills and experience, or otherwise impose undue hardship or oppression on the Optionee, and (d) the entitlement to the benefits provided to the Optionee under this Agreement, whether or not such benefits have vested and/or become exercisable, constitute sufficient consideration for all of the Optionee's covenants contained in this Article IV.

Section 4.2 Confidential Information. Except as permitted by the Board, during the term of the Optionee's employment and/or service with the Company and at all times thereafter, the Optionee shall not divulge, furnish or make accessible to anyone or use in any way other than in the ordinary course of the business of the Company, any confidential, proprietary or secret knowledge or information of the Company or any of its affiliates, whether developed by the Optionee or others, including but not limited to (a) trade secrets, (b) confidential and proprietary plans, developments, research, processes, designs, methods or material (whether or not patented or patentable), (c) customer and supplier lists, (d) strategic or other business, marketing or sales plans, (e) financial data and plans and (f) Proprietary Information. The Optionee acknowledges that the above-described knowledge and information constitute unique and valuable assets of the Company and represent a substantial investment of time and expense by the Company, and that any disclosure or other use of such knowledge or information other than for the sole benefit of the Company would be wrongful and would cause irreparable harm to the Company. During the term of the Optionee's employment and/or service with the Company, the Optionee shall refrain from any acts or omissions that would reduce the value of such knowledge or information to the Company. The foregoing obligations of confidentiality shall not apply to any knowledge or information that (i) is now or subsequently becomes generally publicly known for reasons other than the Optionee's violation of this Agreement, (ii) is independently made available to the Optionee in good faith by a third party who has not violated a confidential relationship with the Company, or (iii) is required to be disclosed by legal process, other than as a direct or indirect result of the breach of this Agreement by the Optionee.

Section 4.3 Ventures. If, during the Optionee's employment and/or service with the Company, the Optionee is engaged in or associated with the planning or implementing of any project, program or venture involving the Company, all rights in such project, program or venture shall belong to the Company, as applicable. Except as approved in writing by the Board, the Optionee shall not be entitled to any interest in any such project, program or venture or to any commission, finder's fee or other compensation in connection therewith. The Optionee shall have no interest, direct or indirect, in any customer or supplier that conducts business with the Company, provided that a passive investment of less than 2.5% of the outstanding shares of capital stock of any customer or supplier listed on a national securities exchange or publicly traded in the over-the-counter market shall not constitute a breach of this sentence.

Section 4.4 Agreement Not to Compete. During the term of the Optionee's employment and/or service with the Company and during the Restricted Period, regardless of the reason for such termination and regardless of whether the termination is initiated by the Company or Optionee, the Optionee shall not, directly or indirectly, engage in any manner or capacity (including without limitation as a proprietor, owner, principal, agent, partner, officer, director, employee, member of any association, consultant or otherwise) in any Company Business (as defined below) in the Territory (as defined below). For purposes of this Article IV, (a) "Company" means LTF Holdings, Inc. and any parent, affiliated, related and/or direct or indirect subsidiary entity thereof, (b) "Company Business" means (i) the design, development, operation, management, advertisement, promotion, solicitation, marketing or sale of health and fitness clubs or health and fitness club memberships, (ii) any services, products or programs offered by health and fitness clubs, including but not limited to personal training, nutritional supplements; health testing or health assessments; wellness services or programs (whether direct to consumer or business to business); weight loss services or programs; kids activities; salons, spas, and medical spas; restaurants or cafes; athletic events and related services (including race timing and registration), and (iii) any other product or service that grows into a material business for the Company (or is under development and is projected to grow into a material business for the Company) as of the Optionee's Termination of Services Date, and (c) "Territory" means the United States, Canada and any other country in which the Company is then doing Company Business as of the Optionee's Termination of Services Date. Ownership by the Optionee, as a passive investment, of less than 2.5% of the outstanding shares of capital stock of any corporation listed on a national securities exchange or publicly traded in the over-the-counter market shall not constitute a breach of this Section 4.4.

Section 4.5 Agreement Not to Solicit or Hire Employees. During the term of the Optionee's employment and/or service with the Company and during the Restricted Period, regardless of the reason for such termination and regardless of whether the termination is initiated by the Company or Optionee, the Optionee shall not, in any manner or capacity (including without limitation as a proprietor, owner, principal, agent, partner, officer, director, stockholder, employee, member of any association, consultant or otherwise), directly or indirectly, hire, engage or solicit for the purpose of employing or otherwise engaging any person who is then an employee of the Company or who was an employee of the Company as of the Optionee's Termination of Services Date or at any time in the six-month period prior to such hiring, engagement or solicitation.

Section 4.6 Agreement Not to Solicit Business Relations. During the term of the Optionee's employment and/or service with the Company and during the Restricted Period, regardless of the reason for such termination and regardless of whether the termination is initiated by the Company or Optionee, the Optionee shall not, in any manner or capacity (including without limitation as a proprietor, owner, principal, agent, partner, officer, director, stockholder, employee, member of any association, consultant or otherwise), directly or indirectly, solicit, request, advise or induce any current or potential customer, member, supplier or other business contact of the Company to cancel, curtail or otherwise change its relationship with the Company.

Section 4.7 Blue Pencil Doctrine. If the duration of, the scope of or any business activity covered by any provision of this Article IV is found by a court of competent jurisdiction to be in excess of what is valid and enforceable under applicable law, such provision shall be construed to cover only that duration, scope or activity that is valid and enforceable, and all other provisions of this Article IV shall remain in full force and effect. The Optionee hereby acknowledges that this Article IV shall be given the construction that renders its provisions valid and enforceable to the maximum extent, not exceeding its express terms, possible under applicable law. Notwithstanding anything to the contrary, this Section 4.7 shall in no event apply to the extent its application would render this Article IV (or any portion thereof) unenforceable under applicable law.

Section 4.8 Return of Records and Property. On or within thirty (30) days of the Termination of Services Date or at any other time as required by the Company, the Optionee shall promptly deliver to the Company any and all Company records and any and all Company property in the Optionee's possession or under the Optionee's control, and all copies thereof, including without limitation manuals, books, blank forms, documents, letters, memoranda, notes, notebooks, reports, printouts, computer disks, computer tapes, source codes, data, tables or calculations, keys, access cards, access codes, passwords, credit cards, personal computers, telephones and other electronic equipment belonging to the Company, and shall also permanently delete all Company email, all Company customer, member, supplier or other business contacts' information, and all other Company information from the Optionee's computer, mobile phone and other electronic devices.

Section 4.9 Protectable Material; Trade Secrets.

(a) All right, title and interest in all discoveries, inventions, improvements, innovations and other material that the Optionee shall conceive or originate individually or jointly or commonly with others during the term of the Optionee's employment and/or service with the Company (i) that are directly related to the business of the Company or to the Company's actual or demonstrably anticipated research or development, or that results from any work performed by the Optionee for the Company, (ii) for which any equipment, supplies, facility or trade secret information of the Company was used and/or (iii) which was not developed entirely on the Optionee's own time, whether or not patentable, copyrightable, or registrable as a trademark ("Protectable Material"), shall be the property of the Company and are hereby assigned by the Optionee to the Company (and the Optionee agrees to assign all Protectable Material to the Company in the future), along with ownership of any and all patents, copyrights, trademarks and other intellectual property rights in the Protectable Material. Upon request and without further compensation therefor, but at no expense to the Optionee, the Optionee shall execute any and all papers and perform all other acts necessary to assist the Company to obtain and register patents, copyrights, trademarks and other intellectual property rights on the Protectable Materials in any and all countries. Where applicable, works of authorship created by the Optionee for the Company in performing the Optionee's duties and responsibilities hereunder shall be considered "works made for hire," as defined in the U.S. Copyright Act.

(b) All trade secret information conceived or originated by the Optionee that arises during the term of the Optionee's employment and/or service with the Company and out of the performance of the Optionee's duties and responsibilities to the Company or any related material or information shall be the property of the Company, and all rights therein are hereby assigned by the Optionee to the Company.

(c) Notwithstanding the foregoing, the Optionee understands that pursuant to the Defend Trade Secrets Act of 2016, the Optionee shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

Section 4.10 Non-Disparagement. The Optionee will not malign, defame or disparage the reputation, character, image, products or services of the Company, or the reputation or character of the Company's directors, officers, employees, shareholders or agents, either orally or in writing, at any time; *provided* that nothing in this Section 4.10 shall be construed to limit or restrict the Optionee from providing truthful information to the extent required by applicable law in connection with any legal proceeding, government investigation or other legal matter.

Section 4.11 Enforcement. The Optionee acknowledges that the provisions of Article IV are reasonable and necessary to protect the legitimate interests of the Company, and that any violation of those provisions by the Optionee would cause real, immediate, substantial and irreparable harm to the Company

to such an extent that monetary damages alone would be an inadequate remedy therefor. Therefore, in the event of any actual or threatened breach of any provision of Article IV, the Company shall, in addition to any other remedies it may have, be entitled to injunctive and other equitable relief to enforce such provisions and to restrain the Optionee from violating or continuing to violate such provisions, and such relief may be granted without the necessity of proving actual monetary damages or posting bond. The Optionee agrees that the Restricted Period shall be tolled, and shall not run, during any period of time in which he or she is in violation of the terms of Section 4.4, 4.5 or 4.6, in order that the Company and its affiliates shall have all of the agreed-upon temporal protection recited herein. No breach of any provision of this Agreement by the Company, or any other claimed breach of contract or violation of law, or change in the nature or scope of the Optionee's employment and/or service relationship with the Company, shall operate to extinguish the Optionee's obligation to comply with Article IV. The Company (including, without limitation, its affiliates) are third party beneficiaries under this Agreement and shall have the right to enforce all of the Optionee's obligations to the Company under this Agreement, including without limitation pursuant to Article IV, and the Company shall be entitled to assign its rights under this Article IV without the Optionee's consent and any such assignees shall have the right to enforce all of the Optionee's obligations to comply with this Article IV. The Optionee covenants and agrees that he or she has received adequate consideration for his or her obligations contained in Article IV, and will not take the position that the covenants contained in Article IV are void for lack of consideration. The Optionee will be responsible for any and all attorneys' fees and costs the Company incurs in enforcing the Optionee's obligations contained in Article IV.

ARTICLE V.
OTHER PROVISIONS

Section 5.1 Not a Contract of Employment or Services. Nothing in this Agreement or in the Plan shall confer upon the Optionee any right to continue in the employ or engagement of the Company or any of its Subsidiaries or affiliates or shall interfere with or restrict in any way the rights of the Company and its Subsidiaries and affiliates, which are hereby expressly reserved, to discharge the Optionee at any time for any reason whatsoever, with or without Cause, except as may otherwise be provided by any written agreement entered into by and between the Company and the Optionee.

Section 5.2 Shares Subject to Plan and Stockholders Agreement; Entire Agreement. The Optionee acknowledges that any shares acquired upon exercise of the Option are subject to the terms of the Plan and the Stockholders Agreement. The terms of this Agreement are intended by the parties to be the final expression of their agreement with respect to the subject matter hereof and may not be contradicted by evidence of any prior or contemporaneous agreement. The parties further intend that this Agreement (together with the Plan and the Stockholders Agreement) shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever may be introduced in any judicial, administrative, or other legal proceeding to vary the terms of this Agreement.

Section 5.3 Construction. This Agreement shall be administered, interpreted and enforced under the internal laws of the State of Delaware, without regard to the principles of conflicts of law thereof, or principles of conflicts of law of any other jurisdiction which could cause the application of the laws of any jurisdiction other than the State of Delaware.

Section 5.4 Jurisdiction and Venue. The Optionee and the Company consent to jurisdiction of the courts of the State of Delaware and/or the United States District Court, District of Delaware, for the purpose of resolving all issues of law, equity, or fact, arising out of or in connection with this Agreement. Any action involving claims of a breach of this Agreement shall be brought in such courts. By execution and delivery of this Agreement, each party irrevocably consents to service of process out of any of the aforementioned courts in any such action or proceeding by the making of copies thereof by registered or certified mail, postage prepaid, or by recognized express carrier or delivery service, to the applicable party

at his, her or its address referred to herein. Each of the parties hereto irrevocably waives any objection which he, she or it may not or hereafter have to the laying of venue for the purposes of all such suits arising out of or in connection with this Agreement, or any related agreement, certificate or instrument referred to above, and hereby further irrevocably waives and agrees, to the fullest extent permitted by applicable law, not to plead or claim in any such court that any such action or proceeding brought in any such court has been brought in an inconvenient forum. Each of the parties consents to personal jurisdiction over such party in the aforementioned courts and hereby waives any defense of lack of personal jurisdiction. Venue, for the purpose of all such suits, shall be exclusively in Wilmington, Delaware.

Section 5.5 Conformity to Securities Laws. The Optionee acknowledges that the Plan is intended to conform to the extent necessary with all provisions of the Securities Act and the Exchange Act and any and all regulations and rules promulgated thereunder by the Securities and Exchange Commission, including without limitation Rule 16b-3. Notwithstanding anything herein to the contrary, the Plan shall be administered, and the Option is granted and may be exercised, only in such a manner as to conform to such laws, rules and regulations. To the extent permitted by applicable law, the Plan and this Agreement shall be deemed amended to the extent necessary to conform to such laws, rules and regulations.

Section 5.6 Amendment. The Option may be wholly or partially amended at any time or from time to time by the Administrator in its discretion; provided that if such amendment materially impairs the rights of the Optionee hereunder, no such amendment shall be effective until consented to in writing by the Optionee.

Section 5.7 Stockholder Approval.

(a) Except as otherwise provided in Section 5.7(b), in the event that the Company determines that any right to receive the Option or payment or other benefit under this Agreement (including, without limitation, the acceleration of the vesting and/or exercisability of the Option and taking into account the effect of this Section) or any other agreement by and between the Optionee and the Company, to or for the benefit of the Optionee (the "Payments"), would, in whole or part when aggregated with any other right, payment or benefit to or for the Optionee under all other agreements or benefit plans of the Company, be nondeductible by the Company (or other person making such payment or providing such benefit) as a result of Section 280G of the Code and/or would subject the Optionee to the excise tax imposed by Section 4999 of the Code (the "Excise Tax") then, to the extent necessary to make the Payments deductible and to exempt the Payments from the Excise Tax (but only to such extent and after taking into account any reduction in the Payments relating to Section 280G of the Code under any other plan, arrangement or agreement), the Option or any other right, payment or benefit under this Agreement shall not become exercisable, vested or paid.

(b) Notwithstanding any other provision of this Agreement, the provisions of Section 5.7(a) shall not apply to reduce the Payments if the Payments that would otherwise be nondeductible under Section 280G of the Code and/or would subject the Optionee to the Excise Tax are disclosed to and approved by the Company's stockholders in accordance with Section 280G(b)(5)(B) of the Code and the Department of Treasury regulations thereunder.

(c) The Company shall use commercially reasonable efforts to prepare and deliver to its stockholders the disclosure required by Section 280G(b)(5)(B) of the Code with respect to the Payments and to seek the approval of the Company's stockholders in accordance with Section 280G(b)(5)(B) of the Code and the Department of Treasury regulations thereunder.

Section 5.8 Section 409A. The Company shall undertake to administer, interpret and construe this Agreement in a manner that does not result in the imposition on the Optionee of any additional tax, penalty or interest under Section 409A, and to comply with Section 409A to the extent applicable. Notwithstanding any provision of this Agreement to the contrary, in the event that the Company determines in good faith that any provision of this Agreement would cause the Optionee to incur an additional tax, penalty or interest under Section 409A, the Company and Optionee shall cooperate in good faith to (a) adopt such amendments to this Agreement and appropriate policies and procedures, including amendments and policies with retroactive effect, as the Company and Optionee determine to be necessary or appropriate to preserve the intended tax treatment of the benefits provided by this Agreement, to preserve the economic benefits of this Agreement and to avoid less favorable accounting or tax consequences for the Company and/or (b) take such other actions as the Company and Optionee determine to be necessary or appropriate to exempt the amounts payable hereunder from Section 409A or to comply with the requirements of Section 409A and thereby avoid the application of penalty taxes thereunder. No provision of this Agreement shall be interpreted or construed to transfer any liability for failure to comply with the requirements of Section 409A from the Optionee or any other individual to the Company or any of its affiliates, employees or agents.

Section 5.9 Tax Consultation. The Optionee acknowledges and agrees that his or her entry into this Agreement and participation in the Plan is voluntary and there may be tax consequences as a result of his or her receipt of the Option and/or the purchase or disposition of the Shares underlying the Option. The Optionee represents that he or she (a) has consulted with any tax consultants he or she deems advisable in connection with this Agreement, the receipt of the Option, and the purchase or disposition of the Shares underlying the Option, and (b) is not relying on the Company for any tax advice. The Optionee is relying solely on such advisors and not on any statements or representations of the Company or any of its agents. The Optionee understands that he or she (and not the Company) shall be solely responsible for the Optionee's tax liability that may arise as a result of this investment or the transactions contemplated by this Agreement.

[signature page follows]

IN WITNESS WHEREOF, this Agreement has been executed and delivered by the parties hereto as of the date first above written.

LTF HOLDINGS, INC.

By: _____

Its: _____

OPTIONEE

_____

[Employee]

Residence Address:

_____

_____

Optionee's Social Security Number:

_____

EXHIBIT A

TO STOCK OPTION AGREEMENT

FORM OF EXERCISE NOTICE

Effective as of today, _____, _____, the undersigned *("**Optionee**")* hereby elects to exercise Optionee's option to purchase_____ Shares of LTF Holdings, Inc. (the "***Company***") under and pursuant to the LTF Holdings, Inc. 2015 Equity Incentive Plan (the "***Plan***") and the Non-Qualified Stock Option Agreement dated _____, 20__ (the "***Option Agreement***", and such election to exercise, the "***Exercise Notice***"). Capitalized terms used herein without definition shall have the meanings given in the Option Agreement.

Grant Date:	_____
Number of Shares as to which Option is Exercised:	_____
Exercise Price per Share:	$_____
Total Exercise Price:	$_____
Certificate to be issued in name of:	_____
Cash Payment delivered herewith:	$_____ (Representing the full Exercise Price for the Shares, as well as any applicable withholding tax)

Type of Option: ¨ Incentive Stock Option ¨ Non-Qualified Stock Option

1. Representations of Optionee. Optionee acknowledges that Optionee has received, read and understood the Plan and the Option Agreement. Optionee agrees to abide by and be bound by their terms and conditions.

2. Tax Consultation. Optionee understands that Optionee may suffer adverse tax consequences as a result of Optionee's purchase or disposition of the Shares. Optionee represents that Optionee has consulted with any tax consultants Optionee deems advisable in connection with the purchase or disposition of the Shares and that Optionee is not relying on the Company for any tax advice. Optionee is relying solely on such advisors and not on any statements or representations of the Company or any of its agents. Optionee understands that Optionee (and not the Company) shall be responsible for Optionee's tax liability that may arise as a result of this investment or the transactions contemplated by this Exercise Notice.

3. Restrictive Legends and Stop-Transfer Orders.

(a) Legends. Optionee understands and agrees that the Company shall cause any certificates issued evidencing the Shares to have the legends set forth below or legends substantially equivalent thereto, together with any other legends that may be required by state or federal securities laws:

> THE SHARES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED ("ACT"), NOR HAVE THEY BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE. NO TRANSFER OF SUCH SECURITIES WILL BE PERMITTED UNLESS

A REGISTRATION STATEMENT UNDER THE ACT IS IN EFFECT AS TO SUCH TRANSFER, THE TRANSFER IS MADE IN ACCORDANCE WITH RULE 144 UNDER THE ACT, OR IN THE OPINION OF COUNSEL (WHICH MAY BE COUNSEL FOR THE COMPANY) REGISTRATION UNDER THE ACT IS UNNECESSARY IN ORDER FOR SUCH TRANSFER TO COMPLY WITH THE ACT AND WITH APPLICABLE STATE SECURITIES LAWS.

THE SHARES REPRESENTED BY THIS CERTIFICATE MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF AN AGREEMENT BETWEEN THE COMPANY AND THE STOCKHOLDER, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY. SUCH TRANSFER RESTRICTIONS ARE BINDING ON TRANSFEREES OF THESE SHARES.

(b) Optionee agrees that, in order to ensure compliance with the restrictions referred to herein, the Company may issue appropriate "stop transfer" instructions to its transfer agent, if any, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

(c) The Company shall not be required (i) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of the Option Agreement or the Stockholders Agreement or (ii) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such Shares shall have been so transferred.

4. Further Instruments. Optionee hereby agrees to execute such further instruments and to take such further action as the Company determines are reasonably necessary to carry out the purposes and intent of the Option Agreement and this Exercise Notice.

5. Entire Agreement. The Plan, the Option Agreement and the Stockholders Agreement are incorporated herein by reference. This Exercise Notice, the Plan, the Option Agreement and the Stockholders Agreement constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Optionee with respect to the subject matter hereof.

ACCEPTED BY:
LTF HOLDINGS, INC.

By: _____
Print Name: _____
Title: _____

SUBMITTED BY
OPTIONEE:

By: _____
Print Name: _____

Address: _____
_____

NON-QUALIFIED STOCK OPTION AGREEMENT OF LTF HOLDINGS, INC.

THIS AGREEMENT (the "Agreement") is entered into as of [_____] (the "Grant Date") by and between LTF Holdings, Inc., a Delaware corporation (the "Company"), and [_____], an employee, consultant or director of the Company or one of its Subsidiaries (hereinafter referred to as, the "Optionee").

WHEREAS, the Board has approved the LTF Holdings, Inc. 2015 Equity Incentive Plan (as it may be amended from time to time, the Plan"), the terms of which are hereby incorporated by reference and made a part of this Agreement;

WHEREAS, the Administrator (as defined in the Plan) has determined that it would be to the advantage and best interest of the Company and its shareholders to grant the Non-Qualified Stock Option to purchase [_____] shares of Common Stock (the "Shares") as provided for herein to the Optionee as an inducement to enter into or remain in the service of the Company or one of its Subsidiaries and as an incentive for increased efforts during such service, and has advised the Company thereof and instructed the undersigned officers to issue said Option; and

WHEREAS, the Optionee has entered into the Stockholders Agreement (as defined in the Plan).

NOW, THEREFORE, in consideration of the mutual covenants contained herein, including those set forth in Article IV hereof, and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto do hereby agree as follows:

ARTICLE I.
DEFINITIONS

Whenever the following terms are used in this Agreement, they shall have the meaning specified below unless the context clearly indicates to the contrary. Capitalized terms used in this Agreement and not defined below shall have the meaning given such terms in the Plan. The singular pronoun shall include the plural, where the context so indicates.

Section 1.1 "Change of Control" shall mean (a) the sale of all or substantially all of the assets of the Company to any other person or entity (other than the Company, any of its Subsidiaries, any of the Principal Stockholders, or any employee benefit plan maintained by the Company or any of its Subsidiaries), or (b) a change in beneficial ownership or control of the Company effected through a transaction or series of transactions (other than an offering of Common Stock or other securities to the general public through a registration statement filed with the Securities and Exchange Commission) whereby any "person" or related "group" of "persons" (as such terms are used in Sections 13(d) and 14(d)(2) of the Exchange Act) (other than the Company, any of its Subsidiaries, any of the Principal Stockholders, or any employee benefit plan maintained by the Company or any of its Subsidiaries), directly or indirectly acquires beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of securities of the Company possessing more than 50% of the total combined voting power of such entity's securities outstanding immediately after such acquisition.

Section 1.2 "Common Stock" shall mean shares of common stock, par value $0.01, of LTF Holdings, Inc.

Section 1.3 "Company" shall, except as set forth in Article IV, have the meaning set forth in the preamble hereto.

Section 1.4 "Disability" shall mean "Disability" as defined in any written employment agreement between the Optionee and the Company or any of its Subsidiaries; *provided* that, in the absence of such an agreement containing such definition, "Disability" shall mean the Optionee has become physically or mentally incapacitated or disabled such that the Optionee is unable to perform for the Company substantially the same services as the Optionee performed prior to incurring such incapacity or disability, and such incapacity or disability exists for an aggregate of four (4) calendar months in any twelve (12) month period (as determined in good faith by the Administrator). In connection with making the Administrator's determination, the Company, at its option and expense, shall be entitled to select and retain a physician to confirm the existence of such incapacity or disability, and the determination made by such physician shall be binding on the parties for the purposes of this Agreement.

Section 1.5 "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

Section 1.6 "Good Reason" shall mean, without the Optionee's express written consent, any of the following conditions shall occur, provided that none of the following conditions shall constitute Good Reason unless the Optionee first gives written notice to the Company within 90 days of the first occurrence of the condition, delineating the claimed facts or circumstances constituting Good Reason and setting forth the Optionee's intention to terminate the Optionee's employment if such breach is not duly remedied within 30 business days, and the Company fails to cure the condition within such 30-business day period:

(a) the Company has breached any material term(s) or material condition(s) of this Agreement, which breach was not caused by the Optionee; or

(b) the Company relocates its executive offices outside of a seventy-five (75) mile radius of its location as of the Grant Date, and the relocation results in a material change to the geographic location at which the Optionee performs services.

Section 1.7 "Grant Date" shall have the meaning set forth in the preamble hereto.

Section 1.8 "Initial Public Offering" shall mean an initial underwritten offering of Common Stock or securities of any of affiliates of the Company to the general public through a registration statement filed with the Securities and Exchange Commission (other than on Form S-3, S-4 or S-8 or any similar successor form or another form used for a purpose similar to the intended use of any such form).

Section 1.9 "IPO Measurement Date" shall mean the first date following the expiration of the lock-up period applicable to the Optionee related to the Initial Public Offering.

Section 1.10 "Measurement Date" shall mean (a) the date of a Change of Control, (b) the IPO Measurement Date and (c) the Termination Measurement Date.

Section 1.11 "Option" shall mean the Non-Qualified Stock Option to purchase Common Stock granted under this Agreement.

Section 1.12 "Optionee" shall have the meaning set forth in the preamble hereto.

Section 1.13 "Plan" shall have the meaning set forth in the Recitals hereto.

Section 1.14 "Proprietary Information" shall mean (a) the name, address and/or contact information of any customer, supplier or affiliate of the Company or any information concerning the transactions or relations of any customer, supplier or affiliate of the Company or any of its shareholders; (b) any information concerning any product, service, technology or procedure offered or used by the

Company or any of its affiliates, or under development by or being considered for use by the Company or any of its affiliates; (c) any information relating to marketing or pricing plans or methods, capital structure, or any business or strategic plans of the Company or any of its affiliates; (d) any inventions, innovations, trade secrets or other items covered by Sections 4.2 and 4.9; and (e) any other information which the Company or any of its affiliates has determined and communicated to the Optionee in writing to be proprietary information for purposes hereof; *provided*, *however*, that "Proprietary Information" shall not include any information that is or becomes generally known to the public other than through actions of the Optionee in violation of the restrictive covenants set forth in Article IV.

Section 1.15 "Restricted Period" shall mean the 18-month period following the Termination of Services Date.

Section 1.16 "Shares" shall have the meaning set forth in the Recitals.

Section 1.17 "Subsidiary" shall mean any entity (other than the Company), whether domestic or foreign, in an unbroken chain of entities beginning with the Company if each of the entities other than the last entity in the unbroken chain beneficially owns, at the time of the determination, securities or interests representing at least fifty percent (50%) of the total combined voting power of all classes of securities or interests in one of the other entities in such chain.

Section 1.18 "Termination Measurement Date" shall mean the date of the Optionee's Termination of Services due to death or Disability.

Section 1.19 "Termination of Services Date" shall mean the effective date of the Optionee's Termination of Services for any or no reason, including voluntary and involuntary termination of employment, consultancy or other service relationship (as determined by the Administrator).

Section 1.20 "Vested Option" shall mean, as of any date, the portion of the Option that has become vested on or prior to such date pursuant to Section 3.1(a) or (b) and has not been forfeited pursuant to Section 3.1(c) or otherwise. For the avoidance of doubt, the Vested Option as of the date of a Change of Control, shall be determined after taking into account any vesting pursuant to Section 3.1(b).

ARTICLE II.
GRANT OF OPTION

Section 2.1 Grant of Option. In consideration of the Optionee's agreement to enter into or remain in the employ of, consultancy to or other service relationship with the Company or one of its Subsidiaries and for other good and valuable consideration, as of the Grant Date, the Company irrevocably grants to the Optionee the Option to purchase any part or all of an aggregate of [_____] Shares, upon the terms and conditions set forth in the Plan and this Agreement.

Section 2.2 Option Subject to Plan. The Option granted hereunder is subject to the terms and provisions of the Plan, including without limitation, Section 5, 8, 9(a) and 10(d) thereof.

Section 2.3 Option Price. The purchase price of the Shares subject to the Option shall be $[____] per share (without commission or other charge), which is not less than 100% of the Fair Market Value of a Share as of the Grant Date.

ARTICLE III.
VESTING AND EXERCISABILITY

Section 3.1 Vesting.

(a) Subject to Sections 3.1(b) and (c), the Option shall vest in five equal and cumulative installments on each of the first five anniversaries of [_____]; *provided* that the Optionee remains continuously employed or engaged in active service by the Company or any of its Subsidiaries (and no Termination of Services occurs) from the Grant Date through the applicable vesting date.

(b) Notwithstanding Section 3.1(a) (but subject to Section 3.1(c)), upon the consummation of a Change of Control or an Initial Public Offering, the Option shall become fully vested immediately prior to the effective date of such Change of Control or upon the effectiveness of such Initial Public Offering, as applicable; *provided* that the Optionee remains continuously employed or engaged in active service by the Company or any of its Subsidiaries (and no Termination of Services occurs) from the Grant Date through the consummation of such Change of Control or the effectiveness of such Initial Public Offering, as applicable.

(c) Unless otherwise determined by the Administrator, (i) upon Termination of Services for any reason, any portion of the Option that has not become vested on or prior to the Termination of Services Date shall be forfeited on such date and shall not thereafter become vested or exercisable, and (ii) upon a Termination of Services by the Optionee without Good Reason or by the Company for Cause, any portion of the Option that has become vested on or prior to the Termination of Services Date shall be forfeited on such date and shall not thereafter become exercisable. For the avoidance of doubt, no vested portion of the Option will be exercisable until the commencement of exercisability under Section 3.2.

Section 3.2 Commencement of Exercisability. Subject to Section 3.3, the Vested Option shall become exercisable on the occurrence of the first Measurement Date to occur following the Grant Date.

Section 3.3 Expiration of Option. The Option may not be exercised to any extent by anyone after the first to occur of the following events:

(a) The tenth anniversary of the Grant Date; or

(b) The Termination of Services Date upon Termination of Services by the Company for Cause or by the Optionee without Good Reason, immediately prior to such Termination of Services (and subject to such Termination of Services); or

(c) The date the Optionee first violates any of the restrictive covenants set forth in Article IV or any other written agreement by and between the Optionee and the Company or any of its affiliates.

Section 3.4 Partial Exercise. Any exercisable portion of the Vested Option or the entire Vested Option, if then wholly exercisable, may be exercised in whole or in part at any time prior to the time when the Vested Option or portion thereof becomes unexercisable; *provided, however,* that each partial exercise shall be for not less than 100 Shares and shall be for whole Shares only.

Section 3.5 Persons Eligible to Exercise. During the lifetime of the Optionee, only the Optionee may exercise the Option or any portion thereof. After the death of the Optionee, any exercisable portion of the Option may, prior to the time when the Option becomes unexercisable under Section 3.3, be exercised by the Optionee's personal representative or by any person empowered to do so under the deceased Optionee's will or under the then applicable laws of descent and distribution.

Section 3.6 Manner of Exercise. The Option, or any exercisable portion thereof, may be exercised solely by delivery to the Secretary of the Company or the Secretary's office, or such other place as may be determined by the Administrator, of all of the following prior to the time when the Option or such portion thereof becomes unexercisable under Section 3.3:

(a) An exercise notice substantially in the form attached as Exhibit A hereto (or such other form as is prescribed by the Administrator) (the "Exercise Notice") in writing signed by the Optionee or any other person then entitled to exercise the Option or portion thereof, stating that the Option or portion thereof is thereby exercised, such notice complying with all applicable rules established by the Administrator; and

(b) Subject to Section 5(f) of the Plan:

(i) Full payment (in cash or by check) for the Shares with respect to which the Option or portion thereof is exercised; or

(ii) With the consent of the Administrator, by delivery of Shares then issuable upon exercise of the Option having a Fair Market Value on the date of delivery equal to the aggregate exercise price of the Option or exercised portion thereof; or

(iii) With the consent of the Administrator, through the (A) delivery by the Optionee to the Company of an irrevocable and unconditional undertaking by a broker acceptable to the Company to deliver promptly to the Company sufficient funds to pay the exercise price or (B) delivery by the Optionee to the Company or a copy of irrevocable and unconditional instructions to a broker acceptable to the Company to deliver promptly to the Company cash or a check sufficient to pay the exercise price; *provided* that payment is then made to the Company at such time as may be required by the Administrator; or

(iv) With the consent of the Administrator, any other method of payment permitted under the terms of the Plan; or

(v) Subject to any applicable laws, any combination of the consideration allowed under the foregoing paragraphs.

(c) The receipt by the Company of full payment for any applicable withholding tax in cash or by check or in the form of consideration to be agreed upon by the Optionee and the Administrator;

(d) A joinder or other agreement in the form provided by the Company signed by the Optionee or any other person then entitled to exercise the Option or portion thereof, stating that the Shares received upon exercise of the Option or portion thereof are subject to the terms of the Stockholder Agreement; and

(e) In the event the Option or portion thereof shall be exercised pursuant to Section 3.5 by any person or persons other than the Optionee, appropriate proof of the right of such person or persons to exercise the Option.

Section 3.7 Exercise of Option. The exercise of the Option shall be governed by the terms of this Agreement and the terms of the Plan, including, without limitation, the provisions of Section 5 of the Plan.

ARTICLE IV.
RESTRICTIVE COVENANTS

Section 4.1 Introduction. The parties acknowledge and agree that (a) the provisions and covenants contained in this Article IV (i) have been negotiated and are entered into in good faith as an ancillary agreement in connection with the grant of the Option contemplated by this Agreement, (ii) are material to this Agreement, (iii) are provided for, among other things, the protection of the Company's trade secrets, confidential and commercially-sensitive information, client and customer relationships, goodwill and reputation (which is an honest and just purpose), (iv) are reasonable in geographic and temporal scope and (v) do not impose a greater restriction or restraint than is necessary to protect the Company's trade secrets, confidential and commercially-sensitive information, client and customer relationships and contacts, goodwill, reputation and other legitimate business interests, (b) the Optionee (i) is employed or otherwise engaged as an independent contractor or other service provider by the Company, (ii) has been and/or will be provided with confidential and commercially-sensitive information regarding the Company and its business during his or her employment and/or service with the Company, and (iii) provides special, unique and extraordinary services to the Company, (c) the provisions of this Article IV do not adversely affect the Optionee's ability to earn a living in any capacity, stifle the Optionee's ability to use his or her inherent skills and experience, or otherwise impose undue hardship or oppression on the Optionee, and (d) the entitlement to the benefits provided to the Optionee under this Agreement, whether or not such benefits have vested and/or become exercisable, constitute sufficient consideration for all of the Optionee's covenants contained in this Article IV.

Section 4.2 Confidential Information. Except as permitted by the Board, during the term of the Optionee's employment and/or service with the Company and at all times thereafter, the Optionee shall not divulge, furnish or make accessible to anyone or use in any way other than in the ordinary course of the business of the Company, any confidential, proprietary or secret knowledge or information of the Company or any of its affiliates, whether developed by the Optionee or others, including but not limited to (a) trade secrets, (b) confidential and proprietary plans, developments, research, processes, designs, methods or material (whether or not patented or patentable), (c) customer and supplier lists, (d) strategic or other business, marketing or sales plans, (e) financial data and plans and (f) Proprietary Information. The Optionee acknowledges that the above-described knowledge and information constitute unique and valuable assets of the Company and represent a substantial investment of time and expense by the Company, and that any disclosure or other use of such knowledge or information other than for the sole benefit of the Company would be wrongful and would cause irreparable harm to the Company. During the term of the Optionee's employment and/or service with the Company, the Optionee shall refrain from any acts or omissions that would reduce the value of such knowledge or information to the Company. The foregoing obligations of confidentiality shall not apply to any knowledge or information that (i) is now or subsequently becomes generally publicly known for reasons other than the Optionee's violation of this Agreement, (ii) is independently made available to the Optionee in good faith by a third party who has not violated a confidential relationship with the Company, or (iii) is required to be disclosed by legal process, other than as a direct or indirect result of the breach of this Agreement by the Optionee.

Section 4.3 Ventures. If, during the Optionee's employment and/or service with the Company, the Optionee is engaged in or associated with the planning or implementing of any project, program or venture involving the Company, all rights in such project, program or venture shall belong to the Company, as applicable. Except as approved in writing by the Board, the Optionee shall not be entitled to any interest in any such project, program or venture or to any commission, finder's fee or other compensation in

connection therewith. The Optionee shall have no interest, direct or indirect, in any customer or supplier that conducts business with the Company, provided that a passive investment of less than 2.5% of the outstanding shares of capital stock of any customer or supplier listed on a national securities exchange or publicly traded in the over-the-counter market shall not constitute a breach of this sentence.

Section 4.4 Agreement Not to Compete. During the term of the Optionee's employment and/or service with the Company and during the Restricted Period, regardless of the reason for such termination and regardless of whether the termination is initiated by the Company or Optionee, the Optionee shall not, directly or indirectly, engage in any manner or capacity (including without limitation as a proprietor, owner, principal, agent, partner, officer, director, employee, member of any association, consultant or otherwise) in any Company Business (as defined below) in the Territory (as defined below). For purposes of this Article IV, (a) "Company" means LTF Holdings, Inc. and any parent, affiliated, related and/or direct or indirect subsidiary entity thereof, (b) "Company Business" means (i) the design, development, operation, management, advertisement, promotion, solicitation, marketing or sale of health and fitness clubs or health and fitness club memberships, (ii) any services, products or programs offered by health and fitness clubs, including but not limited to personal training, nutritional supplements; health testing or health assessments; wellness services or programs (whether direct to consumer or business to business); weight loss services or programs; kids activities; salons, spas, and medical spas; restaurants or cafes; athletic events and related services (including race timing and registration), and (iii) any other product or service that grows into a material business for the Company (or is under development and is projected to grow into a material business for the Company) as of the Optionee's Termination of Services Date, and (c) "Territory" means the United States, Canada and any other country in which the Company is then doing Company Business as of the Optionee's Termination of Services Date. Ownership by the Optionee, as a passive investment, of less than 2.5% of the outstanding shares of capital stock of any corporation listed on a national securities exchange or publicly traded in the over-the-counter market shall not constitute a breach of this Section 4.4.

Section 4.5 Agreement Not to Solicit or Hire Employees. During the term of the Optionee's employment and/or service with the Company and during the Restricted Period, regardless of the reason for such termination and regardless of whether the termination is initiated by the Company or Optionee, the Optionee shall not, in any manner or capacity (including without limitation as a proprietor, owner, principal, agent, partner, officer, director, stockholder, employee, member of any association, consultant or otherwise), directly or indirectly, hire, engage or solicit for the purpose of employing or otherwise engaging any person who is then an employee of the Company or who was an employee of the Company as of the Optionee's Termination of Services Date or at any time in the six-month period prior to such hiring, engagement or solicitation.

Section 4.6 Agreement Not to Solicit Business Relations. During the term of the Optionee's employment and/or service with the Company and during the Restricted Period, regardless of the reason for such termination and regardless of whether the termination is initiated by the Company or Optionee, the Optionee shall not, in any manner or capacity (including without limitation as a proprietor, owner, principal, agent, partner, officer, director, stockholder, employee, member of any association, consultant or otherwise), directly or indirectly, solicit, request, advise or induce any current or potential customer, member, supplier or other business contact of the Company to cancel, curtail or otherwise change its relationship with the Company.

Section 4.7 Blue Pencil Doctrine. If the duration of, the scope of or any business activity covered by any provision of this Article IV is found by a court of competent jurisdiction to be in excess of what is valid and enforceable under applicable law, such provision shall be construed to cover only that duration, scope or activity that is valid and enforceable, and all other provisions of this Article IV shall remain in full force and effect. The Optionee hereby acknowledges that this Article IV shall be given the construction that renders its provisions valid and enforceable to the maximum extent, not exceeding its

express terms, possible under applicable law. Notwithstanding anything to the contrary, this Section 4.7 shall in no event apply to the extent its application would render this Article IV (or any portion thereof) unenforceable under applicable law.

Section 4.8 Return of Records and Property. On or within thirty (30) days of the Termination of Services Date or at any other time as required by the Company, the Optionee shall promptly deliver to the Company any and all Company records and any and all Company property in the Optionee's possession or under the Optionee's control, and all copies thereof, including without limitation manuals, books, blank forms, documents, letters, memoranda, notes, notebooks, reports, printouts, computer disks, computer tapes, source codes, data, tables or calculations, keys, access cards, access codes, passwords, credit cards, personal computers, telephones and other electronic equipment belonging to the Company, and shall also permanently delete all Company email, all Company customer, member, supplier or other business contacts' information, and all other Company information from the Optionee's computer, mobile phone and other electronic devices.

Section 4.9 Protectable Material; Trade Secrets.

(a) All right, title and interest in all discoveries, inventions, improvements, innovations and other material that the Optionee shall conceive or originate individually or jointly or commonly with others during the term of the Optionee's employment and/or service with the Company (i) that are directly related to the business of the Company or to the Company's actual or demonstrably anticipated research or development, or that results from any work performed by the Optionee for the Company, (ii) for which any equipment, supplies, facility or trade secret information of the Company was used and/or (iii) which was not developed entirely on the Optionee's own time, whether or not patentable, copyrightable, or registrable as a trademark ("Protectable Material"), shall be the property of the Company and are hereby assigned by the Optionee to the Company (and the Optionee agrees to assign all Protectable Material to the Company in the future), along with ownership of any and all patents, copyrights, trademarks and other intellectual property rights in the Protectable Material. Upon request and without further compensation therefor, but at no expense to the Optionee, the Optionee shall execute any and all papers and perform all other acts necessary to assist the Company to obtain and register patents, copyrights, trademarks and other intellectual property rights on the Protectable Materials in any and all countries. Where applicable, works of authorship created by the Optionee for the Company in performing the Optionee's duties and responsibilities hereunder shall be considered "works made for hire," as defined in the U.S. Copyright Act.

(b) All trade secret information conceived or originated by the Optionee that arises during the term of the Optionee's employment and/or service with the Company and out of the performance of the Optionee's duties and responsibilities to the Company or any related material or information shall be the property of the Company, and all rights therein are hereby assigned by the Optionee to the Company.

(c) Notwithstanding the foregoing, the Optionee understands that pursuant to the Defend Trade Secrets Act of 2016, the Optionee shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

Section 4.10 Non-Disparagement. The Optionee will not malign, defame or disparage the reputation, character, image, products or services of the Company, or the reputation or character of the Company's directors, officers, employees, shareholders or agents, either orally or in writing, at any time;

provided that nothing in this Section 4.10 shall be construed to limit or restrict the Optionee from providing truthful information to the extent required by applicable law in connection with any legal proceeding, government investigation or other legal matter.

Section 4.11 Enforcement. The Optionee acknowledges that the provisions of Article IV are reasonable and necessary to protect the legitimate interests of the Company, and that any violation of those provisions by the Optionee would cause real, immediate, substantial and irreparable harm to the Company to such an extent that monetary damages alone would be an inadequate remedy therefor. Therefore, in the event of any actual or threatened breach of any provision of Article IV, the Company shall, in addition to any other remedies it may have, be entitled to injunctive and other equitable relief to enforce such provisions and to restrain the Optionee from violating or continuing to violate such provisions, and such relief may be granted without the necessity of proving actual monetary damages or posting bond. The Optionee agrees that the Restricted Period shall be tolled, and shall not run, during any period of time in which he or she is in violation of the terms of Section 4.4, 4.5 or 4.6, in order that the Company and its affiliates shall have all of the agreed-upon temporal protection recited herein. No breach of any provision of this Agreement by the Company, or any other claimed breach of contract or violation of law, or change in the nature or scope of the Optionee's employment and/or service relationship with the Company, shall operate to extinguish the Optionee's obligation to comply with Article IV. The Company (including, without limitation, its affiliates) are third party beneficiaries under this Agreement and shall have the right to enforce all of the Optionee's obligations to the Company under this Agreement, including without limitation pursuant to Article IV, and the Company shall be entitled to assign its rights under this Article IV without the Optionee's consent and any such assignees shall have the right to enforce all of the Optionee's obligations to comply with this Article IV. The Optionee covenants and agrees that he or she has received adequate consideration for his or her obligations contained in Article IV, and will not take the position that the covenants contained in Article IV are void for lack of consideration. The Optionee will be responsible for any and all attorneys' fees and costs the Company incurs in enforcing the Optionee's obligations contained in Article IV.

ARTICLE V.
OTHER PROVISIONS

Section 5.1 Not a Contract of Employment or Services. Nothing in this Agreement or in the Plan shall confer upon the Optionee any right to continue in the employ or engagement of the Company or any of its Subsidiaries or affiliates or shall interfere with or restrict in any way the rights of the Company and its Subsidiaries and affiliates, which are hereby expressly reserved, to discharge the Optionee at any time for any reason whatsoever, with or without Cause, except as may otherwise be provided by any written agreement entered into by and between the Company and the Optionee.

Section 5.2 Shares Subject to Plan and Stockholders Agreement; Entire Agreement. The Optionee acknowledges that any shares acquired upon exercise of the Option are subject to the terms of the Plan and the Stockholders Agreement. The terms of this Agreement are intended by the parties to be the final expression of their agreement with respect to the subject matter hereof and may not be contradicted by evidence of any prior or contemporaneous agreement. The parties further intend that this Agreement (together with the Plan and the Stockholders Agreement) shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever may be introduced in any judicial, administrative, or other legal proceeding to vary the terms of this Agreement.

Section 5.3 Construction. This Agreement shall be administered, interpreted and enforced under the internal laws of the State of Delaware, without regard to the principles of conflicts of law thereof, or principles of conflicts of law of any other jurisdiction which could cause the application of the laws of any jurisdiction other than the State of Delaware.

Section 5.4 Jurisdiction and Venue. The Optionee and the Company consent to jurisdiction of the courts of the State of Delaware and/or the United States District Court, District of Delaware, for the purpose of resolving all issues of law, equity, or fact, arising out of or in connection with this Agreement. Any action involving claims of a breach of this Agreement shall be brought in such courts. By execution and delivery of this Agreement, each party irrevocably consents to service of process out of any of the aforementioned courts in any such action or proceeding by the making of copies thereof by registered or certified mail, postage prepaid, or by recognized express carrier or delivery service, to the applicable party at his, her or its address referred to herein. Each of the parties hereto irrevocably waives any objection which he, she or it may not or hereafter have to the laying of venue for the purposes of all such suits arising out of or in connection with this Agreement, or any related agreement, certificate or instrument referred to above, and hereby further irrevocably waives and agrees, to the fullest extent permitted by applicable law, not to plead or claim in any such court that any such action or proceeding brought in any such court has been brought in an inconvenient forum. Each of the parties consents to personal jurisdiction over such party in the aforementioned courts and hereby waives any defense of lack of personal jurisdiction. Venue, for the purpose of all such suits, shall be exclusively in Wilmington, Delaware.

Section 5.5 Conformity to Securities Laws. The Optionee acknowledges that the Plan is intended to conform to the extent necessary with all provisions of the Securities Act and the Exchange Act and any and all regulations and rules promulgated thereunder by the Securities and Exchange Commission, including without limitation Rule 16b-3. Notwithstanding anything herein to the contrary, the Plan shall be administered, and the Option is granted and may be exercised, only in such a manner as to conform to such laws, rules and regulations. To the extent permitted by applicable law, the Plan and this Agreement shall be deemed amended to the extent necessary to conform to such laws, rules and regulations.

Section 5.6 Amendment. The Option may be wholly or partially amended at any time or from time to time by the Administrator in its discretion; provided that if such amendment materially impairs the rights of the Optionee hereunder, no such amendment shall be effective until consented to in writing by the Optionee.

Section 5.7 Stockholder Approval.

(a) Except as otherwise provided in Section 5.7(b), in the event that the Company determines that any right to receive the Option or payment or other benefit under this Agreement (including, without limitation, the acceleration of the vesting and/or exercisability of the Option and taking into account the effect of this Section) or any other agreement by and between the Optionee and the Company, to or for the benefit of the Optionee (the "Payments"), would, in whole or part when aggregated with any other right, payment or benefit to or for the Optionee under all other agreements or benefit plans of the Company, be nondeductible by the Company (or other person making such payment or providing such benefit) as a result of Section 280G of the Code and/or would subject the Optionee to the excise tax imposed by Section 4999 of the Code (the "Excise Tax") then, to the extent necessary to make the Payments deductible and to exempt the Payments from the Excise Tax (but only to such extent and after taking into account any reduction in the Payments relating to Section 280G of the Code under any other plan, arrangement or agreement), the Option or any other right, payment or benefit under this Agreement shall not become exercisable, vested or paid.

(b) Notwithstanding any other provision of this Agreement, the provisions of Section 5.7(a) shall not apply to reduce the Payments if the Payments that would otherwise be nondeductible under Section 280G of the Code and/or would subject the Optionee to the Excise Tax are disclosed to and approved by the Company's stockholders in accordance with Section 280G(b)(5)(B) of the Code and the Department of Treasury regulations thereunder.

(c) The Company shall use commercially reasonable efforts to prepare and deliver to its stockholders the disclosure required by Section 280G(b)(5)(B) of the Code with respect to the Payments and to seek the approval of the Company's stockholders in accordance with Section 280G(b)(5)(B) of the Code and the Department of Treasury regulations thereunder.

Section 5.8 Section 409A. The Company shall undertake to administer, interpret and construe this Agreement in a manner that does not result in the imposition on the Optionee of any additional tax, penalty or interest under Section 409A, and to comply with Section 409A to the extent applicable. Notwithstanding any provision of this Agreement to the contrary, in the event that the Company determines in good faith that any provision of this Agreement would cause the Optionee to incur an additional tax, penalty or interest under Section 409A, the Company and Optionee shall cooperate in good faith to (a) adopt such amendments to this Agreement and appropriate policies and procedures, including amendments and policies with retroactive effect, as the Company and Optionee determine to be necessary or appropriate to preserve the intended tax treatment of the benefits provided by this Agreement, to preserve the economic benefits of this Agreement and to avoid less favorable accounting or tax consequences for the Company and/or (b) take such other actions as the Company and Optionee determine to be necessary or appropriate to exempt the amounts payable hereunder from Section 409A or to comply with the requirements of Section 409A and thereby avoid the application of penalty taxes thereunder. No provision of this Agreement shall be interpreted or construed to transfer any liability for failure to comply with the requirements of Section 409A from the Optionee or any other individual to the Company or any of its affiliates, employees or agents.

Section 5.9 Tax Consultation. The Optionee acknowledges and agrees that his or her entry into this Agreement and participation in the Plan is voluntary and there may be tax consequences as a result of his or her receipt of the Option and/or the purchase or disposition of the Shares underlying the Option. The Optionee represents that he or she (a) has consulted with any tax consultants he or she deems advisable in connection with this Agreement, the receipt of the Option, and the purchase or disposition of the Shares underlying the Option, and (b) is not relying on the Company for any tax advice. The Optionee is relying solely on such advisors and not on any statements or representations of the Company or any of its agents. The Optionee understands that he or she (and not the Company) shall be solely responsible for the Optionee's tax liability that may arise as a result of this investment or the transactions contemplated by this Agreement.

[signature page follows]

IN WITNESS WHEREOF, this Agreement has been executed and delivered by the parties hereto as of the date first above written.

LTF HOLDINGS, INC.

By: _____

Its: _____

OPTIONEE

_____

[_____]

Residence Address:

_____

_____

Optionee's Social Security Number:

_____

EXHIBIT A

TO STOCK OPTION AGREEMENT

FORM OF EXERCISE NOTICE

Effective as of today, ___, the undersigned ("***Optionee***") hereby elects to exercise Optionee's option to purchase Shares of LTF Holdings, Inc. (the "***Company***") under and pursuant to the LTF Holdings, Inc. 2015 Equity Incentive Plan (the "***Plan***") and the Non-Qualified Stock Option Agreement dated ___, 20__ (the "***Option Agreement***", and such election to exercise, the "***Exercise Notice***"). Capitalized terms used herein without definition shall have the meanings given in the Option Agreement.

Grant Date:	_____
Number of Shares as to which Option is Exercised:	_____
Exercise Price per Share:	$_____
Total Exercise Price:	$_____
Certificate to be issued in name of:	_____
Cash Payment delivered herewith:	$(Representing the full Exercise Price for the Shares, as well as any applicable withholding tax)

Type of Option: ¨ Incentive Stock Option ¨ Non-Qualified Stock Option

1. Representations of Optionee. Optionee acknowledges that Optionee has received, read and understood the Plan and the Option Agreement. Optionee agrees to abide by and be bound by their terms and conditions.

2. Tax Consultation. Optionee understands that Optionee may suffer adverse tax consequences as a result of Optionee's purchase or disposition of the Shares. Optionee represents that Optionee has consulted with any tax consultants Optionee deems advisable in connection with the purchase or disposition of the Shares and that Optionee is not relying on the Company for any tax advice. Optionee is relying solely on such advisors and not on any statements or representations of the Company or any of its agents. Optionee understands that Optionee (and not the Company) shall be responsible for Optionee's tax liability that may arise as a result of this investment or the transactions contemplated by this Exercise Notice.

3. Restrictive Legends and Stop-Transfer Orders.

(a) Legends. Optionee understands and agrees that the Company shall cause any certificates issued evidencing the Shares to have the legends set forth below or legends substantially equivalent thereto, together with any other legends that may be required by state or federal securities laws:

> THE SHARES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED ("ACT"), NOR HAVE THEY BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE. NO TRANSFER OF SUCH SECURITIES WILL BE PERMITTED UNLESS

A REGISTRATION STATEMENT UNDER THE ACT IS IN EFFECT AS TO SUCH TRANSFER, THE TRANSFER IS MADE IN ACCORDANCE WITH RULE 144 UNDER THE ACT, OR IN THE OPINION OF COUNSEL (WHICH MAY BE COUNSEL FOR THE COMPANY) REGISTRATION UNDER THE ACT IS UNNECESSARY IN ORDER FOR SUCH TRANSFER TO COMPLY WITH THE ACT AND WITH APPLICABLE STATE SECURITIES LAWS.

THE SHARES REPRESENTED BY THIS CERTIFICATE MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF AN AGREEMENT BETWEEN THE COMPANY AND THE STOCKHOLDER, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY. SUCH TRANSFER RESTRICTIONS ARE BINDING ON TRANSFEREES OF THESE SHARES.

(b) Optionee agrees that, in order to ensure compliance with the restrictions referred to herein, the Company may issue appropriate "stop transfer" instructions to its transfer agent, if any, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

(c) The Company shall not be required (i) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of the Option Agreement or the Stockholders Agreement or (ii) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such Shares shall have been so transferred.

4. Further Instruments. Optionee hereby agrees to execute such further instruments and to take such further action as the Company determines are reasonably necessary to carry out the purposes and intent of the Option Agreement and this Exercise Notice.

5. Entire Agreement. The Plan, the Option Agreement and the Stockholders Agreement are incorporated herein by reference. This Exercise Notice, the Plan, the Option Agreement and the Stockholders Agreement constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Optionee with respect to the subject matter hereof.

ACCEPTED BY:
LTF HOLDINGS, INC.
By: _____
Print Name: _____
Title: _____

SUBMITTED BY
OPTIONEE:
By: _____
Print Name: _____

Address: _____
_____

LTF HOLDINGS, INC.
2015 EQUITY INCENTIVE PLAN

RESTRICTED STOCK UNIT AWARD GRANT NOTICE

LTF Holdings, Inc., a Delaware corporation (the "Company"), pursuant to its 2015 Equity Incentive Plan, as amended from time to time (the "Plan"), hereby grants to the holder listed below (the "Participant"), an award of restricted stock units ("Restricted Stock Units" or "RSUs"). Each vested Restricted Stock Unit represents the right to receive, in accordance with the Restricted Stock Unit Award Agreement attached hereto as Exhibit A (the "Agreement"), one share of Common Stock ("Share"). This award of Restricted Stock Units is subject to all of the terms and conditions set forth herein and in the Agreement and the Plan, each of which are incorporated herein by reference. Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Restricted Stock Unit Award Grant Notice (the "Grant Notice") and the Agreement.

Participant:	[*Insert Participant Name*]
Grant Date:	[*Insert Grant Date*]
Total Number of RSUs:	[*Insert Number of RSUs*]
Vesting Commencement Date:	[*Insert Vesting Commencement Date*]
Vesting Schedule:	50% of the Total Number of RSUs will vest on each anniversary of the Vesting Commencement Date, such that 100% of the RSUs will be fully vested on the second anniversary of the Vesting Commencement Date, provided that Participant does not experience a Termination of Service prior to the applicable vesting date.[Notwithstanding provisions of Section 2.3(a) and Section 2.3(b) of the Agreement, in the event of an initial underwritten offering of Common Stock or securities of the Company or any affiliates of the Company to the general public through a registration statement filed with the Securities and Exchange Commission (other than on Form S-3 or S-8 or any similar successor form or another form used for a purpose similar to the intended use of any such form) ("IPO"), any RSUs granted under this Agreement that have not vested on or prior to the date that is 180 days after such IPO becomes effective shall become vested in full as of such date, subject to the Participant's continued service through such date.][1]
Termination:	If the Participant experiences a Termination of Service prior to the applicable vesting date, all RSUs that have not become vested on or prior to the date of such Termination of Service (after taking into consideration any vesting that may occur in connection with such Termination of Service, if any) will thereupon be automatically forfeited by the Participant without payment of any consideration therefor.

By his or her signature and the Company's signature below, the Participant agrees to be bound by the terms and conditions of the Plan, the Agreement and this Grant Notice. The Participant has reviewed the Agreement, the Plan and this Grant Notice in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Grant Notice and fully understands all provisions of this Grant Notice, the Agreement and the Plan. The Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan, this Grant Notice or the Agreement.

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1 NTD: To include for employees and consultants.

LTF HOLDINGS, INC.:

By: _____
Print Name: _____
Title: _____
Address: _____
_____

PARTICIPANT:

By: _____
Print Name: [ ]

Address: _____
_____

EXHIBIT A
TO RESTRICTED STOCK UNIT AWARD GRANT NOTICE

RESTRICTED STOCK UNIT AWARD AGREEMENT

Pursuant to the Restricted Stock Unit Award Grant Notice (the "Grant Notice") to which this Restricted Stock Unit Award Agreement (this "Agreement") is attached, LTF Holdings, Inc., a Delaware corporation (the "Company"), has granted to the Participant the number of restricted stock units ("Restricted Stock Units" or "RSUs") set forth in the Grant Notice under the Company's 2015 Equity Incentive Plan, as amended from time to time (the "Plan"). Each vested Restricted Stock Unit represents the right to receive one share of Common Stock ('Share"). Capitalized terms not specifically defined herein shall have the meanings specified in the Plan and the Grant Notice.

ARTICLE I.

GENERAL

Section 1.1 Incorporation of Terms of Plan. The RSUs are subject to the terms and conditions of the Plan, which are incorporated herein by reference. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan shall control.

ARTICLE II.

GRANT OF RESTRICTED STOCK UNITS

Section 2.1 Grant of RSUs. Pursuant to the Grant Notice and upon the terms and conditions set forth in the Plan and this Agreement, effective as of the Grant Date set forth in the Grant Notice, the Company hereby grants to the Participant an award of RSUs under the Plan in consideration of the Participant's past and/or continued employment with or service to the Company or any affiliates and for other good and valuable consideration.

Section 2.2 Unsecured Obligation to RSUs. Unless and until the RSUs have vested in the manner set forth in Article 2 hereof, the Participant will have no right to receive Common Stock under any such RSUs. Prior to actual payment of any vested RSUs, such RSUs will represent an unsecured obligation of the Company, payable (if at all) only from the general assets of the Company.

Section 2.3 Vesting Schedule.

(a) Subject to Section 2.5 hereof, the RSUs shall vest and become nonforfeitable with respect to the applicable portion thereof according to the vesting schedule set forth in the Grant Notice (rounding down to the nearest whole Share).

(b) Unless otherwise determined by the Administrator, (i) upon Termination of Service for any reason, the Participant shall immediately forfeit any and all RSUs granted under this Agreement that have not vested or do not vest on or prior to the date on which such Termination of Service occurs, and Participant's rights in any such RSUs that are not so vested shall lapse and expire, and (b) upon Termination of Service by the Company for Cause, any portion of the RSUs that has become vested on or prior to the date of Termination of Service shall be forfeited on such date and shall not thereafter become exercisable.

Section 2.4 Consideration to the Company. In consideration of the grant of the award of RSUs pursuant hereto, the Participant agrees to render faithful and efficient services to the Company or any affiliate.

Section 2.5 Tax Withholding. Notwithstanding any other provision of this Agreement:

(a) The Company or any of its subsidiaries (the "Participating Companies") have the authority to deduct or withhold, or require Participant to remit to the applicable Participating Company, an amount sufficient to satisfy any applicable federal, state, local and foreign taxes (including the employee portion of any FICA obligation) required by Applicable Laws to be withheld with respect to any taxable event arising pursuant to this Agreement. The Participating Companies may withhold or Participant may make such payment in one or more of the forms specified below:

(i) by cash or check made payable to the Participating Company with respect to which the withholding obligation arises;

(ii) with the consent of the Administrator, by the deduction of such amount from other compensation payable to Participant;

(iii) with respect to any withholding taxes arising in connection with the vesting or settlement of the RSUs, with the consent of the Administrator, by requesting that the Company withhold a net number of vested shares of Common Stock otherwise issuable pursuant to the RSUs having a then current Fair Market Value not exceeding the amount necessary to satisfy the withholding obligation of the Participating Companies based on the maximum statutory withholding rates in Participant's applicable jurisdictions for federal, state, local and foreign income tax and payroll tax purposes that are applicable to such taxable income;

(iv) with respect to any withholding taxes arising in connection with the vesting or settlement of the RSUs, with the consent of the Administrator, by tendering to the Company vested shares of Common Stock having a then current Fair Market Value not exceeding the amount necessary to satisfy the withholding obligation of the Participating Companies based on the maximum statutory withholding rates in Participant's applicable jurisdictions for federal, state, local and foreign income tax and payroll tax purposes that are applicable to such taxable income;

(v) with respect to any withholding taxes arising in connection with the vesting or settlement of the RSUs, with the consent of the Administrator, through the delivery of a notice that Participant has placed a market sell order with a broker acceptable to the Company with respect to shares of Common Stock then issuable to Participant pursuant to the RSUs, and that the broker has been directed to pay a sufficient portion of the net proceeds of the sale to the Participating Company with respect to which the withholding obligation arises in satisfaction of such withholding taxes; *provided* that payment of such proceeds is then made to the applicable Participating Company at such time as may be required by the Administrator, but in any event not later than the settlement of such sale; or

(vi) with the consent of the Administrator, in any combination of the foregoing.

(b) With respect to any withholding taxes arising in connection with the RSUs, in the event Participant fails to provide timely payment of all sums required pursuant to Section 2.5(a), the

Company shall have the right and option, but not the obligation, to treat such failure as an election by Participant to satisfy all or any portion of Participant's required payment obligation pursuant to Section 2.5(a)(ii) or Section 2.5(a)(iii) above, or any combination of the foregoing as the Company may determine to be appropriate. The Company shall not be obligated to deliver any certificate representing shares of Common Stock or enter shares of Common Stock in book entry form issuable with respect to the RSUs to Participant or his or her legal representative unless and until Participant or his or her legal representative shall have paid or otherwise satisfied in full the amount of all federal, state, local and foreign taxes applicable with respect to the taxable income of Participant resulting from the vesting or settlement of the RSUs or any other taxable event related to the RSUs.

(c) In the event any tax withholding obligation arising in connection with the RSUs will be satisfied under Section 2.5(a)(iii), then the Company may elect to instruct any brokerage firm determined acceptable to the Company for such purpose to sell on Participant's behalf a whole number of shares from those shares of Common Stock then issuable to Participant pursuant to the RSUs as the Company determines to be appropriate to generate cash proceeds sufficient to satisfy the tax withholding obligation and to remit the proceeds of such sale to the Participating Company with respect to which the withholding obligation arises. Participant's acceptance of this Award constitutes Participant's instruction and authorization to the Company and such brokerage firm to complete the transactions described in this Section 2.5(c), including the transactions described in the previous sentence, as applicable. The Company may refuse to issue any shares of Common Stock in settlement of the RSUs to Participant until the foregoing tax withholding obligations are satisfied, provided that no payment shall be delayed under this Section 2.5(c) if such delay will result in a violation of Section 409A of the Code.

(d) Participant is ultimately liable and responsible for all taxes owed in connection with the RSUs, regardless of any action any Participating Company takes with respect to any tax withholding obligations that arise in connection with the RSUs. No Participating Company makes any representation or undertaking regarding the treatment of any tax withholding in connection with the awarding, vesting or payment of the RSUs or the subsequent sale of shares of Common Stock. The Participating Companies do not commit and are under no obligation to structure the RSUs to reduce or eliminate Participant's tax liability.

Section 2.6 Issuance of Common Stock upon Vesting.

(a) On or as soon as administratively practicable following the vesting of any Restricted Stock Units pursuant to Section 2.3 hereof, but in no event later than sixty (60) days after such vesting date (for the avoidance of doubt, this deadline is intended to comply with the "short term deferral" exemption from Section 409A of the Code), the Company shall deliver to the Participant (or any transferee permitted under Section 3.2 hereof) a number of shares of Common Stock (either by delivering one or more certificates for such shares of Common Stock or by entering such shares of Common Stock in book entry form, as determined by the Company in its sole discretion) equal to the number of RSUs subject to this Award that vest on the applicable vesting date, unless such RSUs terminate prior to the given vesting date pursuant to Section 2.3 hereof. Notwithstanding the foregoing, the Company may delay a distribution or payment in settlement of RSUs if it reasonably determines that such payment or distribution will violate federal securities laws or any other Applicable Laws, *provided* that such distribution or payment shall be made at the earliest date at which the Company reasonably determines that the making of such distribution or payment will not cause such violation, as required by Treasury Regulation Section 1.409A-2(b)(7)(ii), and provided further that no payment or distribution shall be delayed under this Section 2.6(a) if such delay will result in a violation of Section 409A of the Code.

Section 2.7 Conditions to Delivery of Shares. The Company shall not be required to issue or deliver any certificates or make any book entries evidencing shares of Common Stock deliverable hereunder prior to fulfillment of all of the following conditions: (a) the admission of the shares of Common Stock to listing on all stock exchanges on which such shares are then listed, if any, (b) the completion of any registration or other qualification of the shares of Common Stock under any state or federal law or under rulings or regulations of the Securities and Exchange Commission or other governmental regulatory body, which the Administrator shall, in its absolute discretion, deem necessary or advisable, (c) the obtaining of any approval or other clearance from any state or federal governmental agency that the Administrator shall, in its absolute discretion, determine to be necessary or advisable, (d) the receipt of full payment of any applicable withholding tax in accordance with Section 2.5 by the Participating Company with respect to which the applicable withholding obligation arises, and (e) a joinder or other agreement in the form provided by the Company signed by the Participant or any other person then entitled to the settlement of RSUs or portion thereof, stating that the shares of Common Stock received upon the settlement of RSUs or portion thereof are subject to the terms of the Stockholders Agreement.

Section 2.8 Rights as Stockholder. The holder of the RSUs shall not be, nor have any of the rights or privileges of, a stockholder of the Company, including, without limitation, voting rights and rights to dividends, in respect of the RSUs and any shares of Common Stock underlying the RSUs and deliverable hereunder unless and until such shares of Common Stock shall have been issued by the Company and held of record by such holder (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). No adjustment shall be made for a dividend or other right for which the record date is prior to the date the shares of Common Stock are issued, except as provided in Section 8 of the Plan.

ARTICLE III.

OTHER PROVISIONS

Section 3.1 Administration. The Administrator shall have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret, amend or revoke any such rules. All actions taken and all interpretations and determinations made by the Administrator in good faith shall be final and binding upon the Participant, the Company and all other interested persons. No member of the Administrator or the Board shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan, this Agreement or the RSUs.

Section 3.2 RSUs Not Transferable. The RSUs shall be subject to the restrictions on transferability set forth in Section 9(a) of the Plan unless and until the shares of Common Stock underlying the RSUs have been issued, and all restrictions applicable to such shares of Common Stock have lapsed, at which time the shares of Common Stock shall be subject to the Stockholders Agreement.

Section 3.3 Tax Consultation. The Participant acknowledges and agrees that his or her entry into this Agreement and participation in the Plan is voluntary and there may be consequences as a result of his or her receipt of the RSUs granted pursuant to this Agreement (and the shares of Common Stock issuable with respect thereto). The Participant represents that he or she (a) has consulted with any tax consultants he or she deems advisable in connection with the RSUs and the issuance of Shares with respect thereto and (b) is not relying on the Company for any tax advice. The Participant is relying solely on such advisors and not on any statements or representations of the Company or any of its agents. The Participant understands that he or she (and not the Company) shall be solely responsible for the Participant's tax liability that may arise as a result of the investment or the transaction contemplated by this Agreement.

Section 3.4 Binding Agreement. Subject to the limitation on the transferability of the RSUs contained herein, this Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.

Section 3.5 Adjustments Upon Specified Events. The Administrator may accelerate the vesting of the RSUs in such circumstances as it, in its sole discretion, may determine. The Participant acknowledges that the RSUs are subject to adjustment, modification and termination in certain events as provided in this Agreement and Section 8 of the Plan.

Section 3.6 Notices. Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company in care of the Secretary of the Company at the Company's principal office, and any notice to be given to the Participant shall be addressed to the Participant at the Participant's last address reflected on the Company's records. By a notice given pursuant to this Section 3.6, either party may hereafter designate a different address for notices to be given to that party. Any notice shall be deemed duly given when sent via email or when sent by certified mail (return receipt requested) and deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service.

Section 3.7 Participant's Representations. The Participant hereby represents, warrants, covenants, acknowledges and agrees on behalf of the Participant and his or her spouse or domestic partner, if applicable, that (a) the Participant is holding the RSUs for the Participant's own account, and not for the account of any other person, (b) the Participant is holding the RSUs for investment and not with a view to distribution or resale thereof except in compliance with Applicable Laws regulating securities; and (c) if the Participant is located outside of the United States, he or she (i) is not a U.S. person as such term is defined under Rule 902 of Regulation S promulgated under the Securities Act, (ii) is not acquiring the RSUs for the account or benefit of any U.S. person, and (iii) will not (A) resell or offer to resell the RSUs, or any portion thereof, or (B) engage in hedging transactions, in each case, except in accordance with the terms of the Plan and this Agreement and in accordance with Regulation S, or pursuant to an available exemption from registration under the Securities Act and otherwise in compliance with all applicable securities laws.

Section 3.8 Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

Section 3.9 Jurisdiction and Venue. The Participant and the Company consent to jurisdiction of the courts of the State of Delaware and/or the United States District Court, District of Delaware, for the purpose of resolving all issues of law, equity, or fact, arising out of or in connection with this Agreement. Any action involving claims of a breach of this Agreement shall be brought in such courts. By execution and delivery of this Agreement, each party irrevocably consents to service of process out of any of the aforementioned courts in any such action or proceeding by the making of copies thereof by registered or certified mail, postage prepaid, or by recognized express carrier or delivery service, to the applicable party at his, her or its address referred to herein. Each of the parties hereto irrevocably waives any objection which he, she or it may not or hereafter have to the laying of venue for the purposes of all such suits arising out of or in connection with this Agreement, or any related agreement, certificate or instrument referred to above, and hereby further irrevocably waives and agrees, to the fullest extent permitted by applicable law, not to plead or claim in any such court that any such action or proceeding brought in any such court has been brought in an inconvenient forum. Each of the parties consents to personal jurisdiction over such party in the aforementioned courts and hereby waives any defense of lack of personal jurisdiction. Venue, for the purpose of all such suits, shall be exclusively in Wilmington, Delaware.

Section 3.10 Conformity to Securities Laws. The Participant acknowledges that the Plan and this Agreement are intended to conform to the extent necessary with all provisions of the Securities Act and the Exchange Act and any and all regulations and rules promulgated thereunder by the Securities and Exchange Commission, including without limitation Rule 16b-3. Notwithstanding anything herein to the contrary, the Plan shall be administered, and the RSUs are granted, only in such a manner as to conform to such laws, rules and regulations. To the extent permitted by applicable law, the Plan and this Agreement shall be deemed amended to the extent necessary to conform to such laws, rules and regulations.

Section 3.11 Amendment, Suspension and Termination. To the extent permitted by the Plan, this Agreement may be wholly or partially amended or otherwise modified, suspended or terminated at any time or from time to time by the Administrator or the Board in its discretion; *provided, however,* that, except as may otherwise be provided by the Plan, if such amendment, modification, suspension or termination of this Agreement materially impairs the rights of the Participant hereunder, no such amendment, modification, suspension or termination shall be effective until consented in writing by the Participant.

Section 3.12 Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. The Participant may not assign any of his or her rights under this Agreement to single or multiple assignees without the written consent of the Company. Subject to the restrictions on transfer herein set forth in Section 3.2 hereof, this Agreement shall be binding upon the Participant and his or her heirs, executors, administrators, successors and assigns.

Section 3.13 Not a Contract of Service Relationship. Nothing in this Agreement or in the Plan shall confer upon Participant any right to continue in the employ or engagement of the Company or any of its Subsidiaries or affiliates or shall interfere with or restrict in any way the rights of the Company and its Subsidiaries and affiliates, which rights are hereby expressly reserved, to discharge the Participant for any reason whatsoever, with or without cause, except as may otherwise be provided by any written agreement entered into by and between the Company and the Participant.

Section 3.14 Shares Subject to Plan and Stockholders Agreement; Entire Agreement. The Participant acknowledges that any shares of Common Stock acquired upon settlement of the RSUs are subject to the terms of the Plan and the Stockholders Agreement. The terms of this Agreement are intended by the parties to be the final expression of their agreement with respect to the subject matter hereof and may not be contradicted by evidence of any prior or contemporaneous agreement. The parties further intend that this Agreement, including all Exhibits thereto, if any (together with the Plan, the Grant Notice and the Stockholders Agreement) shall constitute the complete and exclusive statements of its terms and that no extrinsic evidence whatsoever may be introduced in any judicial, administrative, or other legal proceedings to vary the terms of this Agreement.

Section 3.15 Section 409A. The Company shall undertake to administer, interpret and construe this Agreement in a manner that does not result in the imposition on the Participant of any additional tax, penalty or interest under Section 409A, and to comply with Section 409A to the extent applicable. Notwithstanding any provision of this Agreement to the contrary, in the event that the Company determines in good faith that any provision of this Agreement would cause the Participant to incur an additional tax, penalty or interest under Section 409A, the Company and Participant shall cooperate in good faith to (a) adopt such amendments to this Agreement and appropriate policies and procedures, including amendments and policies with retroactive effect, as the Company and Participant determine to be necessary or appropriate to preserve the intended tax treatment of the benefits provided by this Agreement, to preserve the economic benefits of this Agreement and to avoid less favorable

accounting or tax consequences for the Company and/or (b) take such other actions as the Company and Participant determine to be necessary or appropriate to exempt the amounts payable hereunder from Section 409A or to comply with the requirements of Section 409A and thereby avoid the application of penalty taxes thereunder. No provision of this Agreement shall be interpreted or construed to transfer any liability for failure to comply with the requirements of Section 409A from the Participant or any other individual to the Company or any of its affiliates, employees or agents.

Section 3.16 Limitation on Participant's Rights. Participation in the Plan confers no rights or interests other than as herein provided. This Agreement creates only a contractual obligation on the part of the Company as to amounts payable and shall not be construed as creating a trust. Neither the Plan nor any underlying program, in and of itself, has any assets. The Participant shall have only the rights of a general unsecured creditor of the Company and its affiliates with respect to amounts credited and benefits payable, if any, with respect to the RSUs, and rights no greater than the right to receive the Common Stock as a general unsecured creditor with respect to RSUs, as and when payable hereunder.

Section 3.17 Stockholder Approval.

(a) Except as otherwise provided in Section 3.17(b), in the event that the Company determines that any right to the RSUs or payment or other benefit under this Agreement (including, without limitation, the settlement of RSUs and taking into account the effect of this Section) or any other agreement by and between the Participant and the Company, to or for the benefit of the Participant (the "Payments"), would, in whole or part when aggregated with any other right, payment or benefit to or for the Participant under all other agreements or benefit plans of the Company, be nondeductible by the Company (or other person making such payment or providing such benefit) as a result of Section 280G of the Code and/or would subject the Participant to the excise tax imposed by Section 4999 of the Code (the "Excise Tax") then, to the extent necessary to make the Payments deductible and to exempt the Payments from the Excise Tax (but only to such extent and after taking into account any reduction in the Payments relating to Section 280G of the Code under any other plan, arrangement or agreement), the RSUs or any other right, payment or benefit under this Agreement shall not become exercisable, vested or paid.

(b) Notwithstanding any other provision of this Agreement, the provisions of Section 3.17(a) shall not apply to reduce the Payments if the Payments that would otherwise be nondeductible under Section 280G of the Code and/or would subject the Participant to the Excise Tax are disclosed to and approved by the Company's stockholders in accordance with Section 280G(b)(5)(B) of the Code and the Department of Treasury regulations thereunder.

(c) The Company shall use commercially reasonable efforts to prepare and deliver to its stockholders the disclosure required by Section 280G(b)(5)(B) of the Code with respect to the Payments and to seek the approval of the Company's stockholders in accordance with Section 280G(b)(5)(B) of the Code and the Department of Treasury regulations thereunder.

ARTICLE IV.

[RESTRICTIVE COVENANTS][2]

Section 4.1 [Introduction. The parties acknowledge and agree that (a) the provisions and covenants contained in this Article IV (i) have been negotiated and are entered into in good faith as an ancillary agreement in connection with the grant of the RSUs contemplated by this Agreement, (ii) are

[2] NTD: Section to be included for employees and consultants.

material to this Agreement, (iii) are provided for, among other things, the protection of the Company's trade secrets, confidential and commercially-sensitive information, client and customer relationships, goodwill and reputation (which is an honest and just purpose), (iv) are reasonable in geographic and temporal scope and (v) do not impose a greater restriction or restraint than is necessary to protect the Company's trade secrets, confidential and commercially-sensitive information, client and customer relationships and contacts, goodwill, reputation and other legitimate business interests, (b) the Participant (i) is employed or otherwise engaged as an independent contractor or other service provider by the Company, (ii) has been and/or will be provided with confidential and commercially-sensitive information regarding the Company and its business during his or her employment and/or service with the Company, and (iii) provides special, unique and extraordinary services to the Company, (c) the provisions of this Article IV do not adversely affect the Participant's ability to earn a living in any capacity, stifle the Participant's ability to use his or her inherent skills and experience, or otherwise impose undue hardship or oppression on the Participant, and (d) the entitlement to the benefits provided to the Participant under this Agreement, whether or not such benefits have vested and/or become exercisable, constitute sufficient consideration for all of the Participant's covenants contained in this Article IV.][3][Existing Obligations. The Participant acknowledges and agrees that the Participant shall remain subject to, and will comply with, all of the restrictive covenants set forth in any agreement entered into between the Participant and the Company or any of its Subsidiaries, including, without limitation, that certain employment agreement entered into by and between the Company and the Participant, dated as of October 6, 2015, and, without limiting any rights under the foregoing agreements, in consideration for the Company's obligations set forth herein and other good and valuable consideration, the sufficiency of which is hereby acknowledged and agreed, the restrictive covenants set forth in that certain employment agreement referenced directly above are hereby incorporated by reference into this Section 4.1 as if set forth in full herein.][4]

Section 4.2 Confidential Information. Except as permitted by the Board, during the term of the Participant's employment and/or service with the Company and at all times thereafter, the Participant shall not divulge, furnish or make accessible to anyone or use in any way other than in the ordinary course of the business of the Company, any confidential, proprietary or secret knowledge or information of the Company or any of its affiliates, whether developed by the Participant or others, including but not limited to (a) trade secrets, (b) confidential and proprietary plans, developments, research, processes, designs, methods or material (whether or not patented or patentable), (c) customer and supplier lists, (d) strategic or other business, marketing or sales plans, (e) financial data and plans and (f) Proprietary Information. The Participant acknowledges that the above-described knowledge and information constitute unique and valuable assets of the Company and represent a substantial investment of time and expense by the Company, and that any disclosure or other use of such knowledge or information other than for the sole benefit of the Company would be wrongful and would cause irreparable harm to the Company. During the term of the Participant's employment and/or service with the Company, the Participant shall refrain from any acts or omissions that would reduce the value of such knowledge or information to the Company. The foregoing obligations of confidentiality shall not apply to any knowledge or information that (i) is now or subsequently becomes generally publicly known for reasons other than the Participant's violation of this Agreement, (ii) is independently made available to the Participant in good faith by a third party who has not violated a confidential relationship with the Company, or (iii) is required to be disclosed by legal process, other than as a direct or indirect result of the breach of this Agreement by the Participant.

3 Note to Draft: Include for employees/consultants other than Bahram Akradi.
4 Note to Draft: Include for Bahram Akradi.

Section 4.3 Ventures. If, during the Participant's employment and/or service with the Company, the Participant is engaged in or associated with the planning or implementing of any project, program or venture involving the Company, all rights in such project, program or venture shall belong to the Company, as applicable. Except as approved in writing by the Board, the Participant shall not be entitled to any interest in any such project, program or venture or to any commission, finder's fee or other compensation in connection therewith. The Participant shall have no interest, direct or indirect, in any customer or supplier that conducts business with the Company, provided that a passive investment of less than 2.5% of the outstanding shares of capital stock of any customer or supplier listed on a national securities exchange or publicly traded in the over-the-counter market shall not constitute a breach of this sentence.

Section 4.4 Agreement Not to Compete. During the term of the Participant's employment and/or service with the Company and during the 18-month period following the Termination of Services Date (the "Restricted Period"), regardless of the reason for such termination and regardless of whether the termination is initiated by the Company or Participant, the Participant shall not, directly or indirectly, engage in any manner or capacity (including without limitation as a proprietor, owner, principal, agent, partner, officer, director, employee, member of any association, consultant or otherwise) in any Company Business (as defined below) in the Territory (as defined below). For purposes of this Article IV, (a) "Company" means LTF Holdings, Inc. and any parent, affiliated, related and/or direct or indirect subsidiary entity thereof, (b) "Company Business" means (i) the design, development, operation, management, advertisement, promotion, solicitation, marketing or sale of health and fitness clubs or health and fitness club memberships, (ii) any services, products or programs offered by health and fitness clubs, including but not limited to personal training, nutritional supplements; health testing or health assessments; wellness services or programs (whether direct to consumer or business to business); weight loss services or programs; kids activities; salons, spas, and medical spas; restaurants or cafes; athletic events and related services (including race timing and registration), and (iii) any other product or service that grows into a material business for the Company (or is under development and is projected to grow into a material business for the Company) as of the Participant's Termination of Service Date, and (c) "Territory" means the United States, Canada and any other country in which the Company is then doing Company Business as of the Participant's Termination of Service Date. Ownership by the Participant, as a passive investment, of less than 2.5% of the outstanding shares of capital stock of any corporation listed on a national securities exchange or publicly traded in the over-the-counter market shall not constitute a breach of this Section 4.4.

Section 4.5 Agreement Not to Solicit or Hire Employees. During the term of the Participant's employment and/or service with the Company and during the Restricted Period, regardless of the reason for such termination and regardless of whether the termination is initiated by the Company or Participant, the Participant shall not, in any manner or capacity (including without limitation as a proprietor, owner, principal, agent, partner, officer, director, stockholder, employee, member of any association, consultant or otherwise), directly or indirectly, hire, engage or solicit for the purpose of employing or otherwise engaging any person who is then an employee of the Company or who was an employee of the Company as of the Participant's Termination of Service Date or at any time in the six-month period prior to such hiring, engagement or solicitation.

Section 4.6 Agreement Not to Solicit Business Relations. During the term of the Participant's employment and/or service with the Company and during the Restricted Period, regardless of the reason for such termination and regardless of whether the termination is initiated by the Company or Participant, the Participant shall not use the Company's confidential information to, in any manner or capacity (including without limitation as a proprietor, owner, principal, agent, partner, officer, director, stockholder, employee, member of any association, consultant or otherwise), directly or indirectly, solicit, request, advise or induce any current or potential customer, member, supplier or other business contact of the Company to cancel, curtail or otherwise change its relationship with the Company.

Section 4.7 Blue Pencil Doctrine. If the duration of, the scope of or any business activity covered by any provision of this Article IV is found by a court of competent jurisdiction to be in excess of what is valid and enforceable under applicable law, such provision shall be construed to cover only that duration, scope or activity that is valid and enforceable, and all other provisions of this Article IV shall remain in full force and effect. The Participant hereby acknowledges that this Article IV shall be given the construction that renders its provisions valid and enforceable to the maximum extent, not exceeding its express terms, possible under applicable law. Notwithstanding anything to the contrary, this Section 4.7 shall in no event apply to the extent its application would render this Article IV (or any portion thereof) unenforceable under applicable law.

Section 4.8 Return of Records and Property. On or within thirty (30) days of the Termination of Service Date or at any other time as required by the Company, the Participant shall promptly deliver to the Company any and all Company records and any and all Company property in the Participant's possession or under the Participant's control, and all copies thereof, including without limitation manuals, books, blank forms, documents, letters, memoranda, notes, notebooks, reports, printouts, computer disks, computer tapes, source codes, data, tables or calculations, keys, access cards, access codes, passwords, credit cards, personal computers, telephones and other electronic equipment belonging to the Company, and shall also permanently delete all Company email, all Company customer, member, supplier or other business contacts' information, and all other Company information from the Participant's computer, mobile phone and other electronic devices.

Section 4.9 Protectable Material; Trade Secrets.

(a) All right, title and interest in all discoveries, inventions, improvements, innovations and other material that the Participant shall conceive or originate individually or jointly or commonly with others during the term of the Participant's employment and/or service with the Company (i) that are directly related to the business of the Company or to the Company's actual or demonstrably anticipated research or development, or that results from any work performed by the Participant for the Company, (ii) for which any equipment, supplies, facility or trade secret information of the Company was used and/or (iii) which was not developed entirely on the Participant's own time, whether or not patentable, copyrightable, or registrable as a trademark ("Protectable Material"), shall be the property of the Company and are hereby assigned by the Participant to the Company (and the Participant agrees to assign all Protectable Material to the Company in the future), along with ownership of any and all patents, copyrights, trademarks and other intellectual property rights in the Protectable Material. Upon request and without further compensation therefor, but at no expense to the Participant, the Participant shall execute any and all papers and perform all other acts necessary to assist the Company to obtain and register patents, copyrights, trademarks and other intellectual property rights on the Protectable Materials in any and all countries. Where applicable, works of authorship created by the Participant for the Company in performing the Participant's duties and responsibilities hereunder shall be considered "works made for hire," as defined in the U.S. Copyright Act.

(b) All trade secret information conceived or originated by the Participant that arises during the term of the Participant's employment and/or service with the Company and out of the performance of the Participant's duties and responsibilities to the Company or any related material or information shall be the property of the Company, and all rights therein are hereby assigned by the Participant to the Company.

(c) Notwithstanding the foregoing, the Participant understands that this Agreement does not require assignment of any invention to the extent such invention qualifies for protection under Section 181.78 of the 2015 Minnesota Statutes, Section 2870 of the California Labor Code, Section 49.44.140 of the Revised Code of Washington, 765 Illinois Compiled Statutes 1060, Section 44-130 of the Kansas Statutes, or Section 66-57.1 of the North Carolina General Statutes Article 10A, Chapter 66, Commerce and Business, each as may be amended from time to time, and the current text of each which is attached hereto as Annex 1 to Exhibit B. The Participant hereby acknowledges that the Company has provided him or her with the notification set forth on Exhibit B (and the annex attached thereto) on the date hereof and the Participant shall sign such notification as soon as reasonably practicable after the date hereof.

(d) Notwithstanding the foregoing, the Participant understands that pursuant to the Defend Trade Secrets Act of 2016, the Participant shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

Section 4.10 Non-Disparagement. The Participant will not malign, defame or disparage the reputation, character, image, products or services of the Company, or the reputation or character of the Company's directors, officers, employees, shareholders or agents, either orally or in writing, at any time; *provided* that nothing in this Section 4.10 shall be construed to limit or restrict the Participant from providing truthful information to the extent required by applicable law in connection with any legal proceeding, government investigation or other legal matter.

Section 4.11 Enforcement. The Participant acknowledges that the provisions of Article IV are reasonable and necessary to protect the legitimate interests of the Company, and that any violation of those provisions by the Participant would cause real, immediate, substantial and irreparable harm to the Company to such an extent that monetary damages alone would be an inadequate remedy therefor. Therefore, in the event of any actual or threatened breach of any provision of Article IV, the Company shall, in addition to any other remedies it may have, be entitled to injunctive and other equitable relief to enforce such provisions and to restrain the Participant from violating or continuing to violate such provisions, and such relief may be granted without the necessity of proving actual monetary damages or posting bond. The Participant agrees that the Restricted Period shall be tolled, and shall not run, during any period of time in which he or she is in violation of the terms of Section 4.4, 4.5 or 4.6, in order that the Company and its affiliates shall have all of the agreed-upon temporal protection recited herein. No breach of any provision of this Agreement by the Company, or any other claimed breach of contract or violation of law, or change in the nature or scope of the Participant's employment and/or service relationship with the Company, shall operate to extinguish the Participant's obligation to comply with Article IV. The Company (including, without limitation, its affiliates) shall have the right to enforce all of the Participant's obligations to the Company under this Agreement, including without limitation pursuant to Article IV, and the Company shall be entitled to assign its rights under this Article IV without the Participant's consent. The Participant covenants and agrees that he or she has received adequate consideration for his or her obligations contained in Article IV, and will not take the position that the covenants contained in Article IV are void for lack of consideration. The Participant will be responsible for any and all attorneys' fees and costs the Company incurs in enforcing the Participant's obligations contained in Article IV.

EXHIBIT B

[LIMITED EXCLUSION NOTIFICATION][5]

THIS IS TO NOTIFY YOU that, notwithstanding anything to the contrary in that certain RSU Award Agreement between you and LTF Holdings, Inc. (the "Company"), dated as of [ ] (the "RSU Award Agreement"), the RSU Award Agreement does not require assignment of any invention to the extent such invention qualifies for protection under Section 181.78 of the 2015 Minnesota Statutes, Section 2870 of the California Labor Code, Section 49.44.140 of the Revised Code of Washington, 765 Illinois Compiled Statutes 1060, Section 44-130 of the Kansas Statutes, or Section 66-57.1 of the North Carolina General Statutes Article 10A, Chapter 66, Commerce and Business, each as may be amended from time to time. The current text of the aforementioned statutes is attached hereto as Annex 1.

I, , acknowledge receipt of a copy of this notification (and the annex thereto).

_____

_____

Date

5 NTD: To include for employees and consultants

Annex 1

Section 181.78 of the 2015 Minnesota Statutes

As of the date of this Agreement, Section 181.78 of the 2015 Minnesota Statutes is as follows:

181.78 AGREEMENTS; TERMS RELATING TO INVENTIONS.

Subdivision 1. **Inventions not related to employment**. Any provision in an employment agreement which provides that an employee shall assign or offer to assign any of the employee's rights in an invention to the employer shall not apply to an invention for which no equipment, supplies, facility or trade secret information of the employer was used and which was developed entirely on the employee's own time, and (1) which does not relate (a) directly to the business of the employer or (b) to the employer's actual or demonstrably anticipated research or development, or (2) which does not result from any work performed by the employee for the employer. Any provision which purports to apply to such an invention is to that extent against the public policy of this state and is to that extent void and unenforceable.

Subd. 2. **Effect of subdivision 1**. No employer shall require a provision made void and unenforceable by subdivision 1 as a condition of employment or continuing employment.

Subd. 3. **Notice to employee**. If an employment agreement entered into after August 1, 1977 contains a provision requiring the employee to assign or offer to assign any of the employee's rights in any invention to an employer, the employer must also, at the time the agreement is made, provide a written notification to the employee that the agreement does not apply to an invention for which no equipment, supplies, facility or trade secret information of the employer was used and which was developed entirely on the employee's own time, and (1) which does not relate (a) directly to the business of the employer or (b) to the employer's actual or demonstrably anticipated research or development, or (2) which does not result from any work performed by the employee for the employer.

Section 2870 of the California Labor Code

As of the date of this Agreement, Section 2870 of the California Labor Code is as follows:

(a) Any provision in an employment agreement which provides that an employee shall assign, or offer to assign, any of his or her rights in an invention to his or her employer shall not apply to an invention that the employee developed entirely on his or her own time without using the employer's equipment, supplies, facilities, or trade secret information except for those inventions that either:

(1) Relate at the time of conception or reduction to practice of the invention to the employer's business, or actual or demonstrably anticipated research or development of the employer; or

(2) Result from any work performed by the employee for the employer.

(b) To the extent a provision in an employment agreement purports to require an employee to assign an invention otherwise excluded from being required to be assigned under subdivision (a), the provision is against the public policy of this state and is unenforceable.

Section 49.44.140 of the Revised Code of Washington

As of the date of this Agreement, Section 49.44.140 of the Revised Code of Washington is as follows:

(1) A provision in an employment agreement which provides that an employee shall assign or offer to assign any of the employee's rights in an invention to the employer does not apply to an invention for which no equipment, supplies, facilities, or trade secret information of the employer was used and which was developed entirely on the employee's own time, unless (a) the invention relates (i) directly to the business of the employer, or (ii) to the employer's actual or demonstrably anticipated research or development, or (b) the invention results from any work performed by the employee for the employer. Any provision which purports to apply to such an invention is to that extent against the public policy of this state and is to that extent void and unenforceable.

(2) An employer shall not require a provision made void and unenforceable by subsection (1) of this section as a condition of employment or continuing employment.

(3) If an employment agreement entered into after September 1, 1979, contains a provision requiring the employee to assign any of the employee's rights in any invention to the employer, the employer must also, at the time the agreement is made, provide a written notification to the employee that the agreement does not apply to an invention for which no equipment, supplies, facility, or trade secret information of the employer was used and which was developed entirely on the employee's own time, unless (a) the invention relates (i) directly to the business of the employer, or (ii) to the employer's actual or demonstrably anticipated research or development, or (b) the invention results from any work preformed [performed] by the employee for the employer.

765 Illinois Compiled Statutes 1060

As of the date of this Agreement, 765 Illinois Compiled Statutes 1060 is as follows:

(1) A provision in an employment agreement which provides that an employee shall assign or offer to assign any of the employee's rights in an invention to the employer does not apply to an invention for which no equipment, supplies, facilities, or trade secret information of the employer was used and which was developed entirely on the employee's own time, unless (a) the invention relates (i) to the business of the employer, or (ii) to the employer's actual or demonstrably anticipated research or development, or (b) the invention results from any work performed by the employee for the employer. Any provision which purports to apply to such an invention is to that extent against the public policy of this State and is to that extent void and unenforceable. The employee shall bear the burden of proof in establishing that his invention qualifies under this subsection.

(2) An employer shall not require a provision made void and unenforceable by subsection (1) of this Section as a condition of employment or continuing employment. This Act shall not preempt existing common law applicable to any shop rights of employers with respect to employees who have not signed an employment agreement.

(3) If an employment agreement entered into after January 1, 1984, contains a provision requiring the employee to assign any of the employee's rights in any invention to the employer, the employer must also, at the time the agreement is made, provide a written notification to the employee that the agreement does not apply to an invention for which no equipment, supplies, facility, or trade secret information of the employer was used and which was developed entirely on the employee's own time, unless (a) the invention relates (i) to the business of the employer, or (ii) to the employer's actual or demonstrably anticipated research or development, or (b) the invention results from any work performed by the employee for the employer.

Section 44-130 of the Kansas Statutes

As of the date of this Agreement, Section 44-130 of the Kansas Statutes is as follows:

(a) Any provision in an employment agreement which provides that an employee shall assign or offer to assign any of the employee's rights in an invention to the employer shall not apply to an invention for which no equipment, supplies, facilities or trade secret information of the employer was used and which was developed entirely on the employee's own time, unless:

(1) The invention relates to the business of the employer or to the employer's actual or demonstrably anticipated research or development; or

(2) the invention results from any work performed by the employee for the employer.

(b) Any provision in an employment agreement which purports to apply to an invention which it is prohibited from applying to under subsection (a), is to that extent against the public policy of this state and is to that extent void and unenforceable. No employer shall require a provision made void and unenforceable by this section as a condition of employment or continuing employment.

(c) If an employment agreement contains a provision requiring the employee to assign any of the employee's rights in any invention to the employer, the employer shall provide, at the time the agreement is made, a written notification to the employee that the agreement does not apply to an invention for which no equipment, supplies, facility or trade secret information of the employer was used and which was developed entirely on the employee's own time, unless:

(1) The invention relates directly to the business of the employer or to the employer's actual or demonstrably anticipated research or development; or

(2) the invention results from any work performed by the employee for the employer.

(d) Even though the employee meets the burden of proving the conditions specified in this section, the employee shall disclose, at the time of employment or thereafter, all inventions being developed by the employee, for the purpose of determining employer and employee rights in an invention.

Section 66-57-1 of the North Carolina General Statutes
Article 10A, Chapter 66, Commerce and Business

As of the date of this Agreement, Section 66-57.1 of the North Carolina General Statutes Article 10A, Chapter 66, Commerce and Business is as follows:

Employee's right to certain inventions.

Any provision in an employment agreement which provides that the employee shall assign or offer to assign any of his rights in an invention to his employer shall not apply to an invention that the employee developed entirely on his own time without using the employer's equipment, supplies, facility or trade secret information except for those inventions that (i) relate to the employer's business or actual or demonstrably anticipated research or development, or (ii) result from any work performed by the employee for the employer. To the extent a provision in an employment agreement purports to apply to the type of invention described, it is against the public policy of this State and is unenforceable. The employee shall bear the burden of proof in establishing that his invention qualifies under this section. (1981, c. 488, s. 1.)

NON-QUALIFIED STOCK OPTION AGREEMENT
OF
LTF HOLDINGS, INC.

THIS AGREEMENT (the "Agreement") is entered into as of October 6, 2015 (the "Grant Date") by and between LTF Holdings Inc., a Delaware corporation (the "Company"), and Bahram Akradi, an employee, consultant or director of the Company or one of its Subsidiaries (hereinafter referred to as the "Optionee").

WHEREAS, the Board has approved the LTF Holdings, Inc. 2015 Equity Incentive Plan (as it may be amended from time to time, the Plan"), the terms of which are hereby incorporated by reference and made a part of this Agreement;

WHEREAS, the Board has determined that it would be to the advantage and best interest of the Company and its shareholders to grant the Non-Qualified Stock Option provided for herein to the Optionee as an inducement to enter into or remain in the service of the Company or one of its Subsidiaries and as an incentive for increased efforts during such service, and has advised the Company thereof and instructed the undersigned officers to issue said Option; and

WHEREAS, the Optionee has entered into the Stockholders Agreement (as defined in the Plan).

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto do hereby agree as follows:

ARTICLE I.
DEFINITIONS

Whenever the following terms are used in this Agreement, they shall have the meaning specified below unless the context clearly indicates to the contrary. Capitalized terms used in this Agreement and not defined below shall have the meaning given such terms in the Plan. The singular pronoun shall include the plural, where the context so indicates.

Section 1.1 "Cash Equivalents" shall mean (a) securities issued or directly and fully guaranteed or insured by the full faith and credit of the United States government; (b) certificates of deposit or bankers acceptances with maturities of one year or less from institutions with at least $1 billion in capital and surplus and whose long-term debt is rated at least "A-1" by Moody's or the equivalent by Standard & Poor's; (c) commercial paper issued by a corporation rated at least "A-1" by Moody's or the equivalent by Standard & Poor's and in each case maturing within one year; and (d) investment funds investing at least ninety-five percent (95%) of their assets in cash or assets of the types described in clauses (a) through (c) above.

Section 1.2 "Cash Proceeds" shall mean, with respect to a Measurement Date, the actual cash proceeds received by the Principal Stockholders in respect of the Investment on or prior to such Measurement Date (other than any cash proceeds received by a Principal Stockholder at any time from an affiliate thereof), including (a) any cash dividends, cash distributions or cash interest made or paid by the Company or any of its Subsidiaries in respect of the Investment (but excluding

any management and similar fees or other amounts payable that are not directly attributable to the Investment) and (b) any cash or Cash Equivalents received for the disposal of any portion of the Investment (including, without limitation, any cash or Cash Equivalents received by the Principal Stockholders upon the conversion of Non-Cash Proceeds realized by the Principal Stockholders on the Investment on or prior to such Measurement Date).

Section 1.3 "Cause" shall mean the Company or any of its Subsidiaries having "Cause" to terminate the Optionee's employment or services, as such term is defined in any employment agreement between the Optionee and the Company or any of its Subsidiaries; *provided* that, in the absence of such an agreement containing such a definition, the Company or its Subsidiaries shall have "Cause" to terminate the Optionee's employment or services upon: (a) the Optionee's conviction of a felony, or entering of a plea of guilty or *nolo contendere* to a felony, (b) the Optionee's commitment of an act of fraud involving dishonesty which is injurious to the Company or any of its subsidiaries, (c) the Optionee's willful and continuous refusal to perform his duties with the Company or any of its subsidiaries or (d) the Optionee's engagement in misconduct that is materially injurious to the Company or any of its Subsidiaries.

Section 1.4 "Change of Control" shall mean (a) the sale of all or substantially all of the assets of the Company to any other person or entity (other than the Company, any of its Subsidiaries, any of the Principal Stockholders, or any employee benefit plan maintained by the Company or any of its Subsidiaries), or (b) a change in beneficial ownership or control of the Company effected through a transaction or series of transactions (other than an offering of Common Stock or other securities to the general public through a registration statement filed with the Securities and Exchange Commission) whereby any "person" or related "group" of "persons" (as such terms are used in Sections 13(d) and 14(d)(2) of the Exchange Act) (other than the Company, any of its Subsidiaries, any of the Principal Stockholders, or any employee benefit plan maintained by the Company or any of its Subsidiaries), directly or indirectly acquires beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of securities of the Company possessing more than 50% of the total combined voting power of such entity's securities outstanding immediately after such acquisition.

Section 1.5 "Common Stock" shall mean shares of common stock, par value $0.01, of LTF Holdings, Inc.

Section 1.6 "Company" shall have the meaning set forth in the preamble hereto.

Section 1.7 "Disability" shall mean "Disability" as defined in any employment agreement between the Optionee and the Company or any of its Subsidiaries; *provided* that, in the absence of such an agreement containing such definition, "Disability" shall mean the Optionee has become physically or mentally incapacitated or disabled such that the Optionee is unable to perform for the Company substantially the same services as the Optionee performed prior to incurring such incapacity or disability, and such incapacity or disability exists for an aggregate of four (4) calendar months in any twelve (12) month period (as determined in good faith by the Board). In connection with making the Board's determination, the Company, at its option and expense, shall be entitled to select and retain a physician to confirm the existence of such incapacity or disability, and the determination made by such physician shall be binding on the parties for the purposes of this Agreement.

Section 1.8 "Effective Date" shall mean the date of the consummation of the transactions contemplated by that certain Agreement and Plan of Merger among Life Time, LTF Holdings, LTF Merger Sub, Inc., dated as of March 15, 2015.

Section 1.9 "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

Section 1.10 "Grant Date" shall have the meaning set forth in the preamble hereto.

Section 1.11 "Initial Public Offering" shall mean an initial underwritten offering of Common Stock or securities of any of affiliates of the Company to the general public through a registration statement filed with the Securities and Exchange Commission (other than on Form S-3, S-4 or S-8 or any similar successor form or another form used for a purpose similar to the intended use of any such form).

Section 1.12 "Investment" shall mean the aggregate investment of funds (and the fair market value of any property contributed as of the time of such contribution) by the Principal Stockholders in exchange for equity securities of the Company and its Subsidiaries.

Section 1.13 "Investment Hurdle" shall have the meaning set forth in Section 3.1(d).

Section 1.14 "IPO Date" shall mean the effective date of an Initial Public Offering.

Section 1.15 "IPO Measurement Date" shall mean the IPO Date and each date following the IPO Date as of which the Principal Stockholders receive Cash Proceeds in connection with the Investment.

Section 1.16 "IRR Vesting Amount" shall have the meaning set forth in Section 3.1(a)(ii).

Section 1.17 "Measurement Date" shall mean (a) the date of the first Change in Control following the Effective Date, (b) each IPO Measurement Date and (c) the Termination Measurement Date.

Section 1.18 "MOIC Vesting Amount" shall have the meaning set forth in Section 3.1(a)(i).

Section 1.19 "Non-Cash Proceeds" shall mean all actual proceeds received by the Principal Stockholders in respect of the Investment on or prior to the Measurement Date (other than any proceeds received by a Principal Stockholder at any time from an affiliate thereof) which do not constitute Cash Proceeds.

Section 1.20 "Option" shall mean the Non-Qualified Stock Option to purchase Common Stock granted under this Agreement.

Section 1.21 "Optionee" shall have the meaning set forth in the preamble hereto.

Section 1.22 "Plan" shall have the meaning set forth in the Recitals hereto.

Section 1.23 "Principal Stockholder IRR" shall mean the annual, compounded internal rate of return achieved, as of the date of the first Change of Control following the Effective Date, by the Principal Stockholders in respect of the Investment, which internal rate of return shall be based on the amount of all Proceeds received by the Principal Stockholders (after taking into account the vesting of the Option and any other equity awards granted by the Company). Principal Stockholder IRR shall be calculated using the XIRR function in the most recent version of Microsoft Excel (or if such program is no longer available, such other software program for calculating internal rate of return proposed by the Company and reasonably acceptable to the Board).

Section 1.24 "Principal Stockholder MOIC" shall mean the "multiple of invested capital" received by the Principal Stockholders on the Investment, which shall be equal to:

(a) as of the first Change of Control following the Effective Date, the ratio of (i) the amount of all Proceeds received by the Principal Stockholders with respect to the Investment on or prior to such Change of Control (after taking into account the vesting of the Option and any other equity awards granted by the Company), to (ii) the amount of the Investment on or prior to such Change of Control;

(b) as of each IPO Measurement Date, the ratio of (i) the amount of all actual Cash Proceeds received by the Principal Stockholders with respect to the Investment on or prior to such IPO Measurement Date, to (ii) the amount of the Investment on or prior to such IPO Measurement Date; and

(c) as of the Termination Measurement Date, the ratio of (i) the amount of all Proceeds received by the Principal Stockholders with respect to the Investment on or prior to such Termination Measurement Date, to (ii) the amount of the Investment on or prior to the Termination Measurement Date.

Section 1.25 "Proceeds" shall mean:

(a) with respect to each IPO Measurement Date, the Cash Proceeds;

(b) with respect to the first Change in Control after the Effective Date, the Cash Proceeds and the fair market value ofNon-Cash Proceeds received on or prior to such Change of Control, after taking into account, to the extent applicable, all post-closing adjustments relating to such Change of Control, and assuming the exercise of all vested options and warrants outstanding as of the effective date of such Change of Control (after giving effect to any dilution of securities or instruments arising in connection with such Change of Control); *provided*, *however*, that (i) if the Principal Stockholders retain any portion of an Investment following a Change of Control, the fair market value of such portion of the Investment as of such Change of Control shall be deemed Non-Cash Proceeds for purposes of calculating the Proceeds, (ii) the fair market value of anyNon-Cash Proceeds (including stock) received in connection with a Change of Control shall be determined by the Board in good faith as of the date of such Change of Control, and (iii) in the event that the receipt of any portion of the Proceeds by the Principal Stockholders is delayed beyond the date of the applicable Change of Control and made subject to any contingencies or potential post-closing adjustments, such as an escrow arrangement, the Proceeds shall include an

estimate, determined as of or prior to the date of the Change of Control by the Board in good faith of the fair market value of such portion of the Proceeds (rather than the actual amounts ultimately received, if any, with respect to such portion of the Proceeds); and

(c) with respect to the Termination Measurement Date, the Cash Proceeds and the fair market value ofNon-Cash Proceeds received on or prior to such Termination Measurement Date; *provided*, *however*, that (i) if the Principal Stockholders retain any portion of an Investment following the Termination Measurement Date, the fair market value of such portion of the Investment as of the Termination Measurement Date shall be deemed Non-Cash Proceeds for purposes of calculating the Proceeds and (ii) the fair market value of anyNon-Cash Proceeds shall be determined by the Board in good faith as of the Termination Measurement Date based upon an appraisal by a nationally-recognized investment banking firm or independent appraiser (a "Third Party Appraiser") to determine the fair market value of the retained portion of the Investment as of the Termination Measurement Date.

Section 1.26 "Shares" shall have the meaning set forth in Section 2.1.

Section 1.27 "Termination Measurement Date" shall mean the date of the Optionee's Termination of Services due to death or Disability prior to the first Change in Control following the Effective Date. For the avoidance of doubt, no such date shall occur on or after the first Change in Control following the Effective Date.

ARTICLE II.
GRANT OF OPTION

Section 2.1 Grant of Option. In consideration of the Optionee's agreement to enter into or remain in the employ of, consultancy to or other service relationship with the Company or one of its Subsidiaries and for other good and valuable consideration, as of the Grant Date, the Company irrevocably grants to the Optionee the Option to purchase any part or all of an aggregate of 938,800 shares of Common Stock (the "Shares"), upon the terms and conditions set forth in the Plan and this Agreement.

Section 2.2 Option Subject to Plan. The Option granted hereunder is subject to the terms and provisions of the Plan, including without limitation, Section 5, 8, 9(a) and 10(d) thereof.

Section 2.3 Option Price. The purchase price of the shares of Common Stock covered by the Option shall be $100.00 per share (without commission or other charge), which is not less than 100% of the Fair Market Value of a share of Common Stock as of the Grant Date.

ARTICLE III.
EXERCISABILITY

Section 3.1 Commencement of Exercisability.

(a) Subject to Sections 3.1(b), 3.1(d) and 3.2, the Option shall vest and become exercisable on each Measurement Date (and, with respect to a Measurement Date that is a Change of Control, immediately prior to such Change of Control) with respect to a number of Shares equal to the excess of (1) the MOIC Vesting Amount (as defined below) for such Measurement Date (or,

with respect to a Measurement Date that is a Change of Control, the IRR Vesting Amount (as defined below) for such Measurement Date, if greater), less (2) the number of Shares with respect to the Option that had vested and become exercisable prior to such Measurement Date; *provided* that the Optionee remains continuously employed or engaged in active service by the Company or any of its Subsidiaries (and no Termination of Services occurs) from the Grant Date through such Measurement Date; provided, further, that to the extent a determination by a Third Party Appraiser is undertaken in connection with the determination of the MOIC Vesting Amount for the Termination Measurement Date, the Option shall not vest and become exercisable with respect to such Measurement Date until the date such determination is made and the MOIC Vesting Amount is calculated based on such determination):

(i) *MOIC Vesting Amount.* For purposes of this Agreement, the "MOIC Vesting Amount" shall, with respect to a Measurement Date, equal:

(A) No Shares if, as of such Measurement Date, the Principal Stockholder MOIC is less than 2.0;

(B) One-third of the shares covered by the Option if, as of such Measurement Date, the Principal Stockholder MOIC equals or exceeds 2.0, but is less than 2.5;

(C) Two-third of the shares covered by the Option if, as of such Measurement Date, the Principal Stockholder MOIC equals or exceeds 2.5, but is less than 3.0; or

(D) All of the shares covered by the Option if, as of such Measurement Date, the Principal Stockholder MOIC equals or exceeds 3.0.

(ii) IRR Vesting Amount. For purposes of this Agreement, the "IRR Vesting Amount" shall, with respect to a Measurement Date that is a Change of Control, equal:

(A) No Shares covered by the Option if, as of such Measurement Date, the Principal Stockholder IRR is less than 20%;

(B) One-half of the shares covered by the Option if, as of such Measurement Date the Principal Stockholder IRR equals or exceeds 20%, but is less than 25%; or

(C) All of the shares covered by the Option if, as of such Measurement Date, the Principal Stockholder IRR equals or exceeds 25%.

(iii) For the avoidance of doubt, the IRR Vesting Amount shall not apply with respect to any Measurement Date that does not occur on the date of a Change of Control (i.e., no portion of the Option will be eligible to become vested and exercisable based on Principal Stockholder IRR on an Initial Public Offering or any Measurement Date thereafter or the Termination Measurement Date).

(b) Unless otherwise determined by the Board, no portion of the Option which is unexercisable after the earliest of (i) the Measurement Date following which the Principal Stockholders no longer hold any Investment, (ii) the date of the first Change of Control following the Effective Date or (iii) the date of the Optionee's Termination of Services for any reason (other than any vesting due to Termination of Services due to death or Disability following any determination by a Third Party Appraiser as contemplated under Sections 1.26(c) and 3.1(a)) shall thereafter become exercisable (and such unexercisable portion shall be canceled automatically for no consideration on the earliest of such dates).

(c) Subject to Section 1.26(c), the Board shall make the determination as to whether the targets for any Principal Stockholder MOIC and Principal Stockholder IRR for any Measurement Date have been met and shall determine the extent, if any, to which the Option has become vested and exercisable on such Measurement Date.

(d) For the avoidance of doubt, if, upon a Measurement Date, the vesting of the Option (or portion thereof) on such Measurement Date and the participation of the Shares underlying such Option (or portion thereof) in any transaction on such Measurement Date would result in the failure to satisfy any of the vesting thresholds in Section 3.1(a)(i) or 3.1(a)(ii), as applicable (each, an "Investment Hurdle"), then the Option shall become vested and exercisable as to the maximum percentage of Shares subject thereto that will result in, as of the Measurement Date, the achievement of the applicable Investment Hurdle taking into account the Shares subject to the Option (or portion thereof) that so vest and, if applicable, the participation of the Shares underlying such Option (or portion thereof) in such transaction.

Section 3.2 Expiration of Option. The Option may not be exercised to any extent by anyone after the first to occur of the following events:

(a) The tenth anniversary of the Grant Date; or

(b) One year following the date of the Optionee's Termination of Services due to (i) termination by the Optionee for Good Reason (as defined in the Employment Agreement), (ii) termination by the Company without Cause or (iii) the Optionee's death or Disability; or

(c) The 90th day following the date of the Optionee's Termination of Services by the Optionee without Good Reason; or

(d) The date of the Optionee's Termination of Services by the Company for Cause, immediately prior to such Termination of Services (and subject to such Termination of Services); or

(e) The date the Optionee first violates any of (i) the restrictive covenants set forth in Section 6(d) or 6(f) of the Employment Agreement or (ii) the restrictive covenants set forth in Section 6(e) of the Employment Agreement due to solicitation or hiring of any executive officer or other member of senior management of the Company or any of its affiliates.

Section 3.3 Partial Exercise. Any exercisable portion of the Option or the entire Option, if then wholly exercisable, may be exercised in whole or in part at any time prior to the time when the Option or portion thereof becomes unexercisable; *provided, however*, that each partial exercise shall be for not less than 100 shares of Common Stock and shall be for whole shares of Common Stock only.

Section 3.4 Persons Eligible to Exercise. During the lifetime of the Optionee, only the Optionee may exercise the Option or any portion thereof. After the death of the Optionee, any exercisable portion of the Option may, prior to the time when the Option becomes unexercisable under Section 3.2, be exercised by the Optionee's personal representative or by any person empowered to do so under the deceased the Optionee's will or under the then applicable laws of descent and distribution.

Section 3.5 Manner of Exercise. The Option, or any exercisable portion thereof, may be exercised solely by delivery to the Secretary of the Company or the Secretary's office, or such other place as may be determined by the Board, of all of the following prior to the time when the Option or such portion thereof becomes unexercisable under Section 3.2:

(a) An exercise notice substantially in the form attached as Exhibit 1 hereto (or such other form as is prescribed by the Board) (the "Exercise Notice") in writing signed by the Optionee or any other person then entitled to exercise the Option or portion thereof, stating that the Option or portion thereof is thereby exercised, such notice complying with all applicable rules established by the Board; and

(b) Subject to Section 5(f) of the Plan:

(i) Full payment (in cash or by check) for the Shares with respect to which the Option or portion thereof is exercised; or

(ii) Following a Termination of Services due to death or Disability or otherwise with the consent of the Board, by delivery of Shares then issuable upon exercise of the Option having a Fair Market Value on the date of delivery equal to the aggregate exercise price of the Option or exercised portion thereof; or

(iii) On or after the date the Company becomes a Publicly Listed Company, through the (A) delivery by the Optionee to the Company of an irrevocable and unconditional undertaking by a broker acceptable to the Company to deliver promptly to the Company sufficient funds to pay the exercise price or (B) delivery by the Optionee to the Company or a copy of irrevocable and unconditional instructions to a broker acceptable to the Company to deliver promptly to the Company cash or a check sufficient to pay the exercise price; *provided* that payment is then made to the Company at such time as may be required by the Board; or

(iv) With the consent of the Board, any other method of payment permitted under the terms of the Plan; or

(v) Subject to any applicable laws, any combination of the consideration allowed under the foregoing paragraphs

(c) The receipt by the Company of full payment for any applicable withholding tax in cash or by check or in the form of consideration to be agreed upon by the Optionee and the Board, which, (i) following the date the Company becomes a Publicly Listed

Company, shall include the method provided for in Section 5(f)(1) of the Plan and (ii) following a Termination of Services due to death or Disability, shall include the method provided for in Section 5(f)(3) of the Plan;

(d) A joinder or other agreement in the form provided by the Company signed by the Optionee or any other person then entitled to exercise the Option or portion thereof, stating that the Shares received upon exercise of the Option or portion thereof are subject to the terms of the Stockholder Agreement; and

(e) In the event the Option or portion thereof shall be exercised pursuant to Section 3.4 by any person or persons other than the Optionee, appropriate proof of the right of such person or persons to exercise the Option.

Section 3.6 Exercise of Option. The exercise of the Option shall be governed by the terms of this Agreement and the terms of the Plan, including, without limitation, the provisions of Section 5 of the Plan.

ARTICLE IV.
RESTRICTIVE COVENANTS

Section 4.1 Existing Obligations. The Optionee acknowledges and agrees that the Optionee shall remain subject to, and will comply with, all of the restrictive covenants set forth in any agreement entered into between the Optionee and the Company or any of its Subsidiaries, including, without limitation, that certain employment agreement entered into by and between the Company and the Optionee, dated as of October 6, 2015, and, without limiting any rights under the foregoing agreements, in consideration for the Company's obligations set forth herein and other good and valuable consideration, the sufficiency of which is hereby acknowledged and agreed, the restrictive covenants set forth in that certain employment agreement referenced directly above are hereby incorporated by reference into this Section 4.1 as if set forth in full herein.

ARTICLE V.
OTHER PROVISIONS

Section 5.1 Not a Contract of Employment or Services. Nothing in this Agreement or in the Plan shall confer upon the Optionee any right to continue in the employ or engagement of the Company or any of its Subsidiaries or shall interfere with or restrict in any way the rights of the Company or its Subsidiaries, which are hereby expressly reserved, to discharge the Optionee at any time for any reason whatsoever, with or without Cause, except as may otherwise be provided by any written agreement entered into by and between the Company and the Optionee.

Section 5.2 Shares Subject to Plan and Stockholders Agreement; Entire Agreement. The Optionee acknowledges that any shares acquired upon exercise of the Option are subject to the terms of the Plan and the Stockholders Agreement. The terms of this Agreement are intended by the parties to be the final expression of their agreement with respect to the subject matter hereof and may not be contradicted by evidence of any prior or contemporaneous agreement. The parties further intend that this Agreement (together with the Plan and the Stockholders Agreement) shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever may be introduced in any judicial, administrative, or other legal proceeding to vary the terms of this Agreement.

Section 5.3 Construction. This Agreement shall be administered, interpreted and enforced under the internal laws of the State of Delaware, without regard to the principles of conflicts of law thereof, or principles of conflicts of law of any other jurisdiction which could cause the application of the laws of any jurisdiction other than the State of Delaware.

Section 5.4 Conformity to Securities Laws. The Optionee acknowledges that the Plan is intended to conform to the extent necessary with all provisions of the Securities Act and the Exchange Act and any and all regulations and rules promulgated thereunder by the Securities and Exchange Commission, including without limitation Rule 16b-3. Notwithstanding anything herein to the contrary, the Plan shall be administered, and the Option is granted and may be exercised, only in such a manner as to conform to such laws, rules and regulations. To the extent permitted by applicable law, the Plan and this Agreement shall be deemed amended to the extent necessary to conform to such laws, rules and regulations.

Section 5.5 Amendment. The Option may be wholly or partially amended at any time or from time to time by an amendment made in writing and signed by the parties hereto.

Section 5.6 Section 409A. The Company shall undertake to administer, interpret and construe this Agreement in a manner that does not result in the imposition on Optionee of any additional tax, penalty or interest under Section 409A, and to comply with Section 409A to the extent applicable. Notwithstanding any provision of this Agreement to the contrary, in the event that the Company determines in good faith that any provision of this Agreement would cause Optionee to incur an additional tax, penalty or interest under Section 409A, the Company and Optionee shall cooperate in good faith to (A) adopt such amendments to this Agreement and appropriate policies and procedures, including amendments and policies with retroactive effect, as the Company and Optionee determine to be necessary or appropriate to preserve the intended tax treatment of the benefits provided by this Agreement, to preserve the economic benefits of this Agreement and to avoid less favorable accounting or tax consequences for the Company and/or (B) take such other actions as the Company and Optionee determine to be necessary or appropriate to exempt the amounts payable hereunder from Section 409A or to comply with the requirements of Section 409A and thereby avoid the application of penalty taxes thereunder. No provision of this Agreement shall be interpreted or construed to transfer any liability for failure to comply with the requirements of Section 409A from Optionee or any other individual to the Company or any of its affiliates, employees or agents.

[signature page follows]

IN WITNESS WHEREOF, this Agreement has been executed and delivered by the parties hereto as of the date first above written.

LTF HOLDINGS, INC.

By:
Its: secretary

OPTIONEE

Bahram Akradi

Residence Address:

[***]

Optionee's Social Security Number: [***]

EXHIBIT 1

TO STOCK OPTION AGREEMENT

FORM OF EXERCISE NOTICE

Effective as of today, , , the undersigned ("***Optionee***") hereby elects to exercise Optionee's option to purchase Shares of LTF Holdings, Inc. (the "***Company***") under and pursuant to the LTF Holdings Inc. 2015 Equity Incentive Plan (the "***Plan***") and the Stock Option Agreement dated , 201 (the "***Option Agreement***", and such election to exercise, the "***Exercise Notice***"). Capitalized terms used herein without definition shall have the meanings given in the Option Agreement.

Grant Date:	_____
Number of Shares as to which Option is Exercised:	_____
Exercise Price per Share:	$_____
Total Exercise Price:	$_____
Certificate to be issued in name of:	_____
Cash Payment delivered herewith:	$_____ (Representing the full Exercise Price for the Shares, as well as any applicable withholding tax)

Type of Option: ☐ Incentive Stock Option ☐ Non-Qualified Stock Option

1. Representations of Optionee. Optionee acknowledges that Optionee has received, read and understood the Plan and the Option Agreement. Optionee agrees to abide by and be bound by their terms and conditions.

2. Tax Consultation. Optionee understands that Optionee may suffer adverse tax consequences as a result of Optionee's purchase or disposition of the Shares. Optionee represents that Optionee has consulted with any tax consultants Optionee deems advisable in connection with the purchase or disposition of the Shares and that Optionee is not relying on the Company for any tax advice. Optionee is relying solely on such advisors and not on any statements or representations of the Company or any of its agents. Optionee t understands that Optionee (and not the Company) shall be responsible for Optionee's tax liability that may arise as a result of this investment or the transactions contemplated by this Exercise Notice.

3. Restrictive Legends and Stop-Transfer Orders.

(a) Legends. Optionee understands and agrees that the Company shall cause any certificates issued evidencing the Shares to have the legends set forth below or legends substantially equivalent thereto, together with any other legends that may be required by state or federal securities laws:

> THE SHARES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED ("ACT"), NOR HAVE THEY BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE. NO TRANSFER OF SUCH SECURITIES WILL BE PERMITTED UNLESS A REGISTRATION STATEMENT UNDER THE ACT IS IN EFFECT

AS TO SUCH TRANSFER, THE TRANSFER IS MADE IN ACCORDANCE WITH RULE 144 UNDER THE ACT, OR IN THE OPINION OF COUNSEL (WHICH MAY BE COUNSEL FOR THE COMPANY) REGISTRATION UNDER THE ACT IS UNNECESSARY IN ORDER FOR SUCH TRANSFER TO COMPLY WITH THE ACT AND WITH APPLICABLE STATE SECURITIES LAWS.

THE SHARES REPRESENTED BY THIS CERTIFICATE MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF AN AGREEMENT BETWEEN THE COMPANY AND THE STOCKHOLDER, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY. SUCH TRANSFER RESTRICTIONS ARE BINDING ON TRANSFEREES OF THESE SHARES.

(b) Optionee agrees that, in order to ensure compliance with the restrictions referred to herein, the Company may issue appropriate "stop transfer" instructions to its transfer agent, if any, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

(c) The Company shall not be required (i) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of the Option Agreement or (ii) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such Shares shall have been so transferred.

4. Further Instruments. Optionee hereby agrees to execute such further instruments and to take such further action as the Company determines are reasonably necessary to carry out the purposes and intent of the Option Agreement and this Exercise Notice.

5. Entire Agreement. The Plan, the Option Agreement and the Stockholders Agreement are incorporated herein by reference. This Exercise Notice, the Plan, the Option Agreement and the Stockholders Agreement constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Optionee with respect to the subject matter hereof.

ACCEPTED BY: **LTF HOLDINGS, INC.**	**SUBMITTED BY** **OPTIONEE:**
By: _____	By: _____
Print Name: _____	Print Name: _____
Title: _____	Address: _____
	_____

Exhibit 10.15

LTF HOLDINGS, INC.
2015 EQUITY INCENTIVE PLAN

RESTRICTED STOCK AGREEMENT

GRANT NOTICE

The participant set forth below (the "***Participant***") has been granted Restricted Stock, subject to the terms and conditions of the LTF Holdings, Inc. 2015 Equity Incentive Plan, as amended from time to time (the "***Plan***") and this Restricted Stock Agreement, which includes the terms in this Grant Notice (the "***Grant Notice***") and Appendix A attached hereto (collectively, this "***Agreement***"). Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Agreement.

Participant:	Bahram Akradi
Grant Date:	April 1, 2016
Total Number of Shares of Restricted Stock:	66,500
Type of Restricted Stock	Common Stock
Vesting Schedule:	Subject to Section 2.2(a) of Appendix A hereto: (1) Ten percent (10%) of the Total Number of Shares of Restricted Stock awarded hereunder (the "***Time Vesting Shares***") shall vest on each of the first five anniversaries of the Grant Date; provided that the Time Vesting Shares shall vest in full upon the consummation of a Change in Control to the extent not forfeited prior thereto; and (2) fifty percent (50%) of the Total Number of Shares of Restricted Stock awarded hereunder shall vest on April 1 following the end of (i) the fiscal year in which the Grant Date occurs or (ii) any later fiscal year ending on or prior to December 31, 2020 (or, if later, the date upon which the Board determines the EBITDA for such year), subject to the achievement of the Target EBITDA (as defined below) for such fiscal year (as determined by the Board). For purposes of this Agreement, "***Target EBITDA***" for any fiscal year is set forth on Appendix B attached hereto.

Both the Company and the Participant acknowledge and agree that this Agreement, the Plan and the Stockholders Agreement constitute the entire agreement between the Company and the Participant regarding the terms and conditions of the Restricted Stock awarded hereunder, and that the foregoing supersede all prior communications, agreements, and understandings, written or oral, with respect to the terms and conditions of such Restricted Stock. **ACCORDINGLY, PLEASE BE SURE TO READ ALL OF THIS AGREEMENT (INCLUDING THE GRANT NOTICE, APPENDIX A AND APPENDIX B), THE PLAN AND THE STOCKHOLDERS AGREEMENT.**

LTF HOLDINGS, INC.:

By: _____
Name: James Spolor
Title: VP, Dep. Gen. Consl. & Secr.

PARTICIPANT:

By: _____
Name: Bahram Akradi

APPENDIX A

TO THE RESTRICTED STOCK AGREEMENT

Pursuant to this Agreement, the Company has awarded to the Participant the number of shares of Restricted Stock under the Plan set forth in the Grant Notice.

ARTICLE I.

GENERAL

1.1 Definitions. All capitalized terms used in this Agreement without definition shall have the meanings ascribed in the Plan and the Grant Notice.

1.2 Incorporation of Terms. The Restricted Stock is subject to the terms and conditions of the Plan, which are incorporated herein by reference, and the Stockholders Agreement. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan shall control. In the event of any inconsistency between the Stockholders Agreement and this Agreement, the terms of the Stockholders Agreement shall control.

ARTICLE II.

AWARD OF RESTRICTED STOCK

2.1 Award of Restricted Stock.

(a) Award. As of the Grant Date, the Company issued to the Participant the number of shares of Restricted Stock set forth in the Grant Notice in consideration of the Participant's agreement to remain in the service or employ of the Company or one of its subsidiaries, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged. Such shares of Restricted Stock and any dividends and distributions made or declared with respect to such shares, in each case, whether vested or unvested shall sometimes be referred to herein as "***Shares***."

(b) Book Entry Form; Certificates. At the sole discretion of the Board, the Shares will be issued in either (i) uncertificated form, with the Shares recorded in the name of the Participant in the books and records of the Company's transfer agent with appropriate notations regarding the Restrictions; or (ii) certificate form subject to the terms of Section 2.1(c). For purposes of this Agreement, "***Restrictions***" shall mean the forfeiture provision in Section 2.2(a) and the other restrictions set forth in this Agreement or the Plan.

(c) Legend. Shares issued pursuant to this Agreement shall bear such legend or legends as shall be determined by the Board.

(d) Escrow. The Secretary of the Company or such other escrow holder as the Company may appoint may retain physical custody of any certificates representing the Shares until all of the Restrictions lapse or shall have been removed.

2.2 Restrictions.

(a) Forfeiture. The Restricted Stock shall vest in accordance with the vesting schedule set forth on the Grant Notice. Except as otherwise determined by the Board, any portion of the Restricted Stock which is not vested pursuant to the Grant Notice as of the date the Participant incurs a Termination of Service shall automatically be forfeited by the Participant on the date of such Termination of Service without any additional consideration therefore and without any further action by the Company.

(b) Tax Withholding; Conditions to Issuance of Certificates. Notwithstanding any other provision of this Agreement:

(i) The Participant is ultimately liable and responsible for all taxes owed in connection with the Restricted Stock, regardless of any action the Company or any of its subsidiaries takes with respect to any tax withholding obligations that arise in connection with the Restricted Stock. Neither the Company nor any of its subsidiaries makes any representation or undertaking regarding the treatment of any tax withholding in connection with the awarding or vesting of the Restricted Stock or the subsequent sale of shares. The Company and its subsidiaries do not commit and are under no obligation to structure the Restricted Stock to reduce or eliminate the Participant's tax liability.

(ii) Prior to any tax withholding becoming due, the Participant shall make arrangements to satisfy such tax withholdings when due. To the extent agreed upon by the Board and the Participant, the Company (or the employing subsidiary) may withhold a portion of the shares of Restricted Stock that have an aggregate fair market value sufficient to pay the minimum federal, state and local income, employment and any other applicable taxes required to withheld by the Company or the employing subsidiary with respect to the shares (or such other amount as determined by the Board that will not result in any adverse accounting consequences). Notwithstanding any contrary provision of this Agreement, no vested Shares will be released from the Company unless and until satisfactory arrangements (as determined by the Board) will have been made by the Participant with respect to the payment of any income and other taxes which the Company determines must be withheld or collected as of the vesting date with respect to such Shares.

2.3 Rights as Stockholder. Except as otherwise provided herein, upon the Grant Date, the Participant shall have all the rights of a stockholder with respect to the Shares, including the right to receive any cash or stock dividends or other distributions paid to or made with respect to the Shares, subject to the Restrictions herein.

2.4 Retained Distributions. The Company will retain custody of all cash dividends (without interest) and other distributions ("***Retained Distributions***") made or declared with respect to the Restricted Stock (and such Retained Distributions will be subject to the Restrictions and the other terms and conditions under this Agreement that are applicable to the Restricted Stock) until such time, if ever, as the Restricted Stock with respect to which such Retained Distributions shall have been made, paid or declared shall have become vested pursuant to the Grant Notice or, if earlier, tax withholding is otherwise due with respect to such Restricted Stock. Retained Distributions will automatically be forfeited upon forfeiture of the share of Restricted Stock with respect to which the Retained Distributions were paid or declared.

ARTICLE III.

RESTRICTIVE COVENANTS

3.1 Existing Obligations. The Participant acknowledges and agrees that the Participant shall remain subject to, and will comply with, all of the restrictive covenants set forth in any agreement entered into between the Participant and the Company or any of its Subsidiaries, including, without limitation, that certain employment agreement entered into by and between the Company and the Participant, dated as of October 6, 2015, and, without limiting any rights under the foregoing agreements, in consideration for the Company's obligations set forth herein and other good and valuable consideration, the sufficiency of which is hereby acknowledged and agreed, the restrictive covenants set forth in that certain employment agreement referenced directly above are hereby incorporated by reference into this Section 3.1 as if set forth in full herein.

ARTICLE IV.

OTHER PROVISIONS

4.1 Governing Law; Severability. This Agreement shall be administered, interpreted and enforced under the laws of the State of Delaware, without regard to the conflicts of law principles thereof or of any other jurisdiction. Should any provision of this Agreement be determined by a court of law to be illegal or unenforceable, the other provisions shall nevertheless remain effective and shall remain enforceable.

4.2 Notices. Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company at its principal executive offices in care of the Secretary of the Company, and any notice to be given to the Participant shall be addressed to the Participant at the most recent address for the Participant shown in the Company's records. By a notice given pursuant to this Section 4.2, either party may hereafter designate a different address for notices to be given to that party. Any notice shall be deemed duly given when sent via email or when sent by certified mail (return receipt requested) and deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service.

4.3 Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Agreement shall be binding upon the Participant and his heirs, executors, administrators, successors and assigns.

* * * * *

Exhibit 10.16

LTF HOLDINGS, INC.
2015 EQUITY INCENTIVE PLAN

RESTRICTED STOCK AGREEMENT

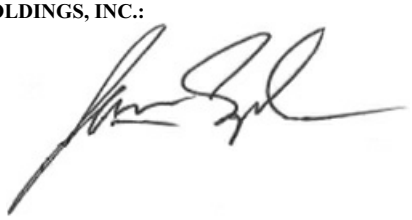
GRANT NOTICE

The participant set forth below (the "***Participant***") has been granted Restricted Stock, subject to the terms and conditions of the LTF Holdings, Inc. 2015 Equity Incentive Plan, as amended from time to time (the "***Plan***") and this Restricted Stock Agreement, which includes the terms in this Grant Notice (the "***Grant Notice***") and Appendix A attached hereto (collectively, this "***Agreement***"). Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Agreement.

Participant:	Bahram Akradi
Grant Date:	April 1, 2017
Total Number of Shares of Restricted Stock:	665,000
Type of Restricted Stock	Common Stock
Vesting Schedule:	Subject to Section 2.2(a) of Appendix A hereto: (1) Ten percent (10%) of the Total Number of Shares of Restricted Stock awarded hereunder (the "***Time Vesting Shares***") shall vest on each of the first five anniversaries of the Grant Date; provided that the Time Vesting Shares shall vest in full upon the consummation of a Change in Control to the extent not forfeited prior thereto; and (2) fifty percent (50%) of the Total Number of Shares of Restricted Stock awarded hereunder shall vest on April 1 following the end of (i) the fiscal year in which the Grant Date occurs or (ii) any later fiscal year ending on or prior to December 31, 2020 (or, if later, the date upon which the Board determines the EBITDA for such year), subject to the achievement of the Target EBITDA (as defined below) for such fiscal year (as determined by the Board). For purposes of this Agreement, "***Target EBITDA***" for any fiscal year is set forth on Appendix B attached hereto.

Both the Company and the Participant acknowledge and agree that this Agreement, the Plan and the Stockholders Agreement constitute the entire agreement between the Company and the Participant regarding the terms and conditions of the Restricted Stock awarded hereunder, and that the foregoing supersede all prior communications, agreements, and understandings, written or oral, with respect to the terms and conditions of such Restricted Stock. **ACCORDINGLY, PLEASE BE SURE TO READ ALL OF THIS AGREEMENT (INCLUDING THE GRANT NOTICE, APPENDIX A AND APPENDIX B), THE PLAN AND THE STOCKHOLDERS AGREEMENT.**

LTF HOLDINGS, INC.:



By: _____
Name: James Spolor
Title: VP, Dep. Gen. Consl. & Secr.

PARTICIPANT:

By: _____
Name: Bahram Akradi

APPENDIX A

TO THE RESTRICTED STOCK AGREEMENT

Pursuant to this Agreement, the Company has awarded to the Participant the number of shares of Restricted Stock under the Plan set forth in the Grant Notice.

ARTICLE I.

GENERAL

1.1 Definitions. All capitalized terms used in this Agreement without definition shall have the meanings ascribed in the Plan and the Grant Notice.

1.2 Incorporation of Terms. The Restricted Stock is subject to the terms and conditions of the Plan, which are incorporated herein by reference, and the Stockholders Agreement. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan shall control. In the event of any inconsistency between the Stockholders Agreement and this Agreement, the terms of the Stockholders Agreement shall control.

ARTICLE II.

AWARD OF RESTRICTED STOCK

2.1 Award of Restricted Stock.

(a) Award. As of the Grant Date, the Company issued to the Participant the number of shares of Restricted Stock set forth in the Grant Notice in consideration of the Participant's agreement to remain in the service or employ of the Company or one of its subsidiaries, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged. Such shares of Restricted Stock and any dividends and distributions made or declared with respect to such shares, in each case, whether vested or unvested shall sometimes be referred to herein as "***Shares***."

(b) Book Entry Form; Certificates. At the sole discretion of the Board, the Shares will be issued in either (i) uncertificated form, with the Shares recorded in the name of the Participant in the books and records of the Company's transfer agent with appropriate notations regarding the Restrictions; or (ii) certificate form subject to the terms of Section 2.1(c). For purposes of this Agreement, "***Restrictions***" shall mean the forfeiture provision in Section 2.2(a) and the other restrictions set forth in this Agreement or the Plan.

(c) Legend. Shares issued pursuant to this Agreement shall bear such legend or legends as shall be determined by the Board.

(d) Escrow. The Secretary of the Company or such other escrow holder as the Company may appoint may retain physical custody of any certificates representing the Shares until all of the Restrictions lapse or shall have been removed.

2.2 Restrictions.

(a) Forfeiture. The Restricted Stock shall vest in accordance with the vesting schedule set forth on the Grant Notice. Except as otherwise determined by the Board, any portion of the Restricted Stock which is not vested pursuant to the Grant Notice as of the date the Participant incurs a Termination of Service shall automatically be forfeited by the Participant on the date of such Termination of Service without any additional consideration therefore and without any further action by the Company.

(b) Tax Withholding; Conditions to Issuance of Certificates. Notwithstanding any other provision of this Agreement:

(i) The Participant is ultimately liable and responsible for all taxes owed in connection with the Restricted Stock, regardless of any action the Company or any of its subsidiaries takes with respect to any tax withholding obligations that arise in connection with the Restricted Stock. Neither the Company nor any of its subsidiaries makes any representation or undertaking regarding the treatment of any tax withholding in connection with the awarding or vesting of the Restricted Stock or the subsequent sale of shares. The Company and its subsidiaries do not commit and are under no obligation to structure the Restricted Stock to reduce or eliminate the Participant's tax liability.

(ii) Prior to any tax withholding becoming due, the Participant shall make arrangements to satisfy such tax withholdings when due. To the extent agreed upon by the Board and the Participant, the Company (or the employing subsidiary) may withhold a portion of the shares of Restricted Stock that have an aggregate fair market value sufficient to pay the minimum federal, state and local income, employment and any other applicable taxes required to withheld by the Company or the employing subsidiary with respect to the shares (or such other amount as determined by the Board that will not result in any adverse accounting consequences). Notwithstanding any contrary provision of this Agreement, no vested Shares will be released from the Company unless and until satisfactory arrangements (as determined by the Board) will have been made by the Participant with respect to the payment of any income and other taxes which the Company determines must be withheld or collected as of the vesting date with respect to such Shares.

2.3 Rights as Stockholder. Except as otherwise provided herein, upon the Grant Date, the Participant shall have all the rights of a stockholder with respect to the Shares, including the right to receive any cash or stock dividends or other distributions paid to or made with respect to the Shares, subject to the Restrictions herein.

2.4 Retained Distributions. The Company will retain custody of all cash dividends (without interest) and other distributions ("***Retained Distributions***") made or declared with respect to the Restricted Stock (and such Retained Distributions will be subject to the Restrictions and the other terms and conditions under this Agreement that are applicable to the Restricted Stock) until such time, if ever, as the Restricted Stock with respect to which such Retained Distributions shall have been made, paid or declared shall have become vested pursuant to the Grant Notice or, if earlier, tax withholding is otherwise due with respect to such Restricted Stock. Retained Distributions will automatically be forfeited upon forfeiture of the share of Restricted Stock with respect to which the Retained Distributions were paid or declared.

ARTICLE III.

RESTRICTIVE COVENANTS

3.1 Existing Obligations. The Participant acknowledges and agrees that the Participant shall remain subject to, and will comply with, all of the restrictive covenants set forth in any agreement entered into between the Participant and the Company or any of its Subsidiaries, including, without limitation, that certain employment agreement entered into by and between the Company and the Participant, dated as of October 6, 2015, and, without limiting any rights under the foregoing agreements, in consideration for the Company's obligations set forth herein and other good and valuable consideration, the sufficiency of which is hereby acknowledged and agreed, the restrictive covenants set forth in that certain employment agreement referenced directly above are hereby incorporated by reference into this Section 3.1 as if set forth in full herein.

ARTICLE IV.

OTHER PROVISIONS

4.1 Governing Law; Severability. This Agreement shall be administered, interpreted and enforced under the laws of the State of Delaware, without regard to the conflicts of law principles thereof or of any other jurisdiction. Should any provision of this Agreement be determined by a court of law to be illegal or unenforceable, the other provisions shall nevertheless remain effective and shall remain enforceable.

4.2 Notices. Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company at its principal executive offices in care of the Secretary of the Company, and any notice to be given to the Participant shall be addressed to the Participant at the most recent address for the Participant shown in the Company's records. By a notice given pursuant to this Section 4.2, either party may hereafter designate a different address for notices to be given to that party. Any notice shall be deemed duly given when sent via email or when sent by certified mail (return receipt requested) and deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service.

4.3 Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Agreement shall be binding upon the Participant and his heirs, executors, administrators, successors and assigns.

* * * * *

Exhibit 10.17

LTF HOLDINGS, INC.
PREFERRED RESTRICTED STOCK AGREEMENT

GRANT NOTICE

The participant set forth below (the "***Participant***") has been granted restricted Series A Convertible Participating Preferred Stock ("***Preferred Stock***") of LTF Holdings, Inc., a Delaware corporation (the "***Company***"), subject to the terms and conditions of this Restricted Stock Agreement, which includes the terms in this Grant Notice (the "***Grant Notice***") and Appendix A attached hereto (collectively, this "***Agreement***"), and the Certificate of Designations of the Preferred Stock, dated as of January 22, 2021 (as in effect from time to time, the "***Certificate of Designations***").

Participant:	Bahram Akradi
Grant Date:	April 22, 2021
Total Number of Shares of Restricted Stock:	500,000
Type of Restricted Stock	Series A Convertible Participating Preferred Stock
Vesting Schedule:	Subject to Section 2.2(a) of Appendix A hereto: 50% of the Total Number of Shares of Restricted Stock will vest on each anniversary of the Grant Date, such that 100% of the Total Number of Shares of Restricted Stock will be fully vested on the second anniversary of the Grant Date, provided that Participant does not experience a Termination of Service (as defined below) prior to the applicable vesting date. In the event of an initial underwritten offering of common stock or securities of the Company or any affiliates of the Company to the general public through a registration statement filed with the Securities and Exchange Commission (other than on Form S-3 or S-8 or any similar successor form or another form used for a purpose similar to the intended use of any such form) ("IPO"), any of the Total Number of Shares of Restricted Stock granted under this Agreement that have not vested on or prior to the date that is 180 days after such IPO becomes effective shall become vested in full as of such date, provided that Participant does not experience a Termination of Service prior to such date. "Termination of Service" shall mean the date the Participant ceases to be a member of the Board, a consultant or advisor of the Company or any parent or subsidiary thereof, or a person employed by the Company or any parent or subsidiary thereof (within the meaning of Section 3401(c) of the Internal Revenue Code of 1986, as amended).

Both the Company and the Participant acknowledge and agree that this Agreement, the Certificate of Designations and the Second Amended and Restated Stockholders Agreement of the Company, dated as of January 6, 2020 (as amended, restated, modified or supplemented from time to time, the "***Stockholders Agreement***") constitute the entire agreement or understanding between the Company and the Participant regarding the terms and conditions of the Restricted Stock awarded hereunder, and that the foregoing supersede all prior communications, agreements, and understandings, written or oral, with respect to the terms and conditions of such Restricted Stock.

ACCORDINGLY, PLEASE BE SURE TO READ ALL OF THIS AGREEMENT (INCLUDING THE GRANT NOTICE AND APPENDIX A), THE STOCKHOLDERS AGREEMENT AND THE CERTIFICATE OF DESIGNATIONS.

LTF HOLDINGS, INC.:

By: _____
Name: _____
Title: _____

PARTICIPANT:

By: _____
Name: Bahram Akradi

APPENDIX A

TO THE PREFERRED RESTRICTED STOCK AGREEMENT GRANT NOTICE

Pursuant to this Agreement, the Company has awarded to the Participant the number of shares of Restricted Stock set forth in the Grant Notice.

ARTICLE I.

GENERAL

1.1 Definitions. All capitalized terms used in this Agreement without definition shall have the meanings ascribed in the Grant Notice.

1.2 Incorporation of Terms. The Restricted Stock is subject to the terms and conditions of the Stockholders Agreement and the Certificate of Designations. In the event of any inconsistency between the Stockholders Agreement or Certificate of Designations and this Agreement, the terms of the Stockholders Agreement or Certificate of Designations, as applicable, shall control.

1.3 Administration. The Agreement and the award of Restricted Stock hereunder will be administered by the Compensation Committee (the "***Administrator***") of the Board of Directors of the Company (the "***Board***") unless otherwise determined by the Board and with the Participant recusing himself. The Administrator and the Board shall have the authority to take all actions and make all determinations contemplated by this Agreement and to adopt, amend and repeal such administrative rules, guidelines and practices relating to the Agreement as it shall deem advisable. The Administrator may correct any defect or ambiguity, supply any omission or reconcile any inconsistency in the Agreement or the award of Restricted Stock in the manner and to the extent it shall deem necessary or appropriate to carry the Agreement and the award of Restricted Stock into effect, as determined by the Administrator. The Administrator (or the Board) shall make all determinations under this Agreement in its sole discretion and all such determinations shall be final and binding on the Participant and all persons having or claiming any interest in the Agreement or in the award of Restricted Stock hereunder. To the extent permitted by applicable law, the Board may delegate any or all of its powers under the Agreement to one or more committees or subcommittees of the Board, which may be comprised of one or more directors (other than the Participant). The Board may abolish any such committee at any time and re-vest in itself any previously delegated authority.

ARTICLE II.

AWARD OF RESTRICTED STOCK

2.1 Award of Restricted Stock.

(a) Award. As of the Grant Date, the Company issued to the Participant the number of shares of Restricted Stock set forth in the Grant Notice in consideration of the Participant's agreement to remain in the service or employ of the Company or one of its subsidiaries, and for other good and valuable consideration, the receipt and sufficiency of which

are hereby acknowledged. Such shares of Restricted Stock and any dividends and distributions made or declared with respect to such shares, in each case, whether vested or unvested shall sometimes be referred to herein as "***Shares***."

(b) Book Entry Form; Certificates. At the sole discretion of the Board, the Shares will be issued in either (i) uncertificated form, with the Shares recorded in the name of the Participant in the books and records of the Company's transfer agent with appropriate notations regarding the Restrictions; or (ii) certificate form subject to the terms of Section 2.1(c). For purposes of this Agreement, "***Restrictions***" shall mean the forfeiture provision in Section 2.2(a) and the other restrictions set forth in this Agreement.

(c) Legend. Shares issued pursuant to this Agreement shall bear such legend or legends as shall be determined by the Board.

(d) Escrow. The Secretary of the Company or such other escrow holder as the Company may appoint may retain physical custody of any certificates representing the Shares until all of the Restrictions lapse or shall have been removed.

2.2 Restrictions.

(a) Forfeiture. The Restricted Stock shall vest in accordance with the vesting schedule set forth on the Grant Notice. Except as otherwise determined by the Board, any portion of the Restricted Stock which is not vested pursuant to the Grant Notice as of the date the Participant incurs a Termination of Service shall automatically be forfeited by the Participant on the date of such Termination of Service without any additional consideration therefor and without any further action by the Company.

(b) Tax Withholding; Conditions to Issuance of Certificates. Notwithstanding any other provision of this Agreement:

(i) The Participant is ultimately liable and responsible for all taxes owed in connection with the Restricted Stock, regardless of any action the Company or any of its subsidiaries takes with respect to any tax withholding obligations that arise in connection with the Restricted Stock. Neither the Company nor any of its subsidiaries makes any representation or undertaking regarding the treatment of any tax withholding in connection with the awarding or vesting of the Restricted Stock or the subsequent sale of shares. The Company and its subsidiaries do not commit and are under no obligation to structure the Restricted Stock to reduce or eliminate the Participant's tax liability.

(ii) Prior to any tax withholding becoming due, the Participant shall make arrangements to satisfy such tax withholdings when due. Except as the Board may otherwise determine, all such payments shall be made in cash or by certified check and the Company may, to the extent permitted by applicable law, deduct any such tax obligations from any payment of any kind otherwise due to a Participant. Notwithstanding the foregoing, to the extent agreed upon by the Board and the Participant, the Company (or the employing subsidiary) may withhold a portion of the shares of Restricted Stock that have an aggregate fair market value sufficient to pay the maximum federal, state and local income, employment and any other applicable taxes required to withheld by the Company or the employing subsidiary with respect

to the Shares (or such other amount as determined by the Board that will not result in any adverse accounting consequences). Notwithstanding any contrary provision of this Agreement, no vested Shares will be released from the Company unless and until satisfactory arrangements (as determined by the Board) will have been made by the Participant with respect to the payment of any income and other taxes which the Company determines must be withheld or collected as of the vesting date with respect to such Shares.

2.3 Rights as Stockholder. Except as otherwise provided herein, upon the Grant Date, the Participant shall have all the rights of a stockholder with respect to the Shares, including the right to receive any cash or stock dividends or other distributions paid to or made with respect to the Shares, subject to the Restrictions herein.

2.4 Retained Distributions. The Company will retain custody of all cash dividends (without interest) and other distributions ("***Retained Distributions***") made or declared with respect to the Restricted Stock (and such Retained Distributions will be subject to the Restrictions and the other terms and conditions under this Agreement that are applicable to the Restricted Stock) until such time, if ever, as the Restricted Stock with respect to which such Retained Distributions shall have been made, paid or declared shall have become vested pursuant to the Grant Notice. Retained Distributions will automatically be forfeited upon forfeiture of the share of Restricted Stock with respect to which the Retained Distributions were paid or declared.

ARTICLE III.

RESTRICTIVE COVENANTS

3.1 Existing Obligations. The Participant acknowledges and agrees that the Participant shall remain subject to, and will comply with, all of the restrictive covenants set forth in any agreement entered into between the Participant and the Company or any of its subsidiaries, including, without limitation, that certain Employment Agreement entered into by and between the Company and the Participant, dated as of October 6, 2015, as amended (the "***Employment Agreement***"), and, without limiting any rights under the foregoing agreements, in consideration for the Company's obligations set forth herein and other good and valuable consideration, the sufficiency of which is hereby acknowledged and agreed, the restrictive covenants set forth in the Employment Agreement are hereby incorporated by reference into this Section 3.1 as if set forth in full herein.

ARTICLE IV.

OTHER PROVISIONS

4.1 Governing Law; Severability. This Agreement shall be administered, interpreted and enforced under the laws of the State of Delaware, without regard to the conflicts of law principles thereof or of any other jurisdiction. The Administrator (or the Board) shall have the power to interpret this Agreement, and all actions taken and all interpretations and determinations made by the Administrator (or the Board) in good faith shall be final and binding upon the Participant, the Company and all other interested persons. Should any provision of this Agreement be determined by a court of law to be illegal or unenforceable, the other provisions shall nevertheless remain effective and shall remain enforceable.

4.2 Notices. Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company at its principal executive offices in care of the Secretary of the Company, and any notice to be given to the Participant shall be addressed to the Participant at the most recent address for the Participant shown in the Company's records. By a notice given pursuant to this Section 4.2, either party may hereafter designate a different address for notices to be given to that party. Any notice shall be deemed duly given when sent via email or when sent by certified mail (return receipt requested) and deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service.

4.3 Successors and Assigns; Entire Agreement. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Agreement shall be binding upon the Participant and his heirs, executors, administrators, successors and assigns. The parties further intend that this Agreement (together with the Grant Notice, the Certificate of Designations and the Stockholders Agreement) shall constitute the complete and exclusive statements of its terms and that no extrinsic evidence whatsoever may be introduced in any judicial, administrative, or other legal proceedings to vary the terms of this Agreement.

4.4 Participant's Representations. The Participant hereby represents, warrants, covenants, acknowledges and agrees on behalf of the Participant and his spouse or domestic partner, if applicable, that (a) the Participant is holding the Restricted Stock for the Participant's own account, and not for the account of any other person, and (b) the Participant is holding the Restricted Stock for investment and not with a view to distribution or resale thereof except in compliance with applicable laws regulating securities.

4.5 Jurisdiction and Venue. The Participant and the Company consent to jurisdiction of the courts of the State of Minnesota and/or the United States District Court, District of Minnesota, for the purpose of resolving all issues of law, equity, or fact, arising out of or in connection with this Agreement. Any action involving claims of a breach of this Agreement shall be brought in such courts. Each party consents to personal jurisdiction over such party in the aforementioned courts and hereby waives any defense of lack of personal jurisdiction. Venue, for the purpose of all such suits, shall be in Minneapolis, Minnesota.

4.6 Conformity to Securities Laws. The Participant acknowledges that this Agreement is intended to conform to the extent necessary with all provisions of the Securities Act of 1933, as amended (the "***Securities Act***"), and the Securities Exchange Act of 1934, as amended, and any and all regulations and rules promulgated thereunder by the Securities and Exchange Commission, including without limitation Rule 16b-3. Notwithstanding anything herein to the contrary, the Agreement shall be administered, and the Restricted Stock is granted, only in such a manner as to conform to such laws, rules and regulations. To the extent permitted by applicable law, this Agreement shall be deemed amended to the extent necessary to conform to such laws, rules and regulations.

4.7 Transferability of Awards. Except as the Board may otherwise determine or as otherwise provided in this Agreement, in any case, in accordance with applicable laws and the Stockholders Agreement, the Restricted Stock shall not be sold, assigned, transferred, pledged or

otherwise encumbered by the Participant, either voluntarily or by operation of law, except by will or the laws of descent and distribution. References to the Participant, to the extent relevant in the context, shall include references to authorized transferees.

4.8 Adjustments Upon Specified Events.

(a) In the event that the Board determines that any dividend or other distribution (whether in the form of cash, common stock, other securities, or other property), stock split, spin-off, reorganization, merger, consolidation, combination, repurchase, recapitalization, liquidation, dissolution, or sale, transfer, exchange or other disposition of all or substantially all of the assets of the Company, or sale or exchange of common stock or other securities of the Company, issuance of warrants or other rights to purchase common stock or other securities of the Company, other similar corporate transaction or event, or any unusual or nonrecurring transaction or event affecting the Company or the financial statements of the Company, or any change in any applicable laws or accounting principles, the Board, on such terms and conditions as it deems appropriate, either by the terms of the Restricted Stock or by action taken prior to the occurrence of such transaction or event and either automatically or upon the Participant's request, is hereby authorized to take any one or more of the following actions whenever the Board determines that such action is appropriate in order to (i) prevent dilution or enlargement of the benefits or potential benefits intended by the Company to be made available under this Agreement, (ii) to facilitate such transaction or event or (iii) give effect to such changes in applicable laws or accounting principles:

(1) To provide that the Restricted Stock shall vest as to all shares covered thereby, notwithstanding anything to the contrary in the Agreement;

(2) Without limiting any actions contemplated by the Certificate of Designations, to provide that the Restricted Stock be assumed by the successor or survivor corporation, or a parent or subsidiary thereof, or shall be substituted for by awards covering the stock of the successor or survivor corporation, or a parent or subsidiary thereof, with appropriate adjustments as to the number and kind of shares, in all cases, as determined by the Board;

(3) To make adjustments in the number and type of shares of Preferred Stock, common stock (or other securities or property) subject to the award under this Agreement, and/or in the terms and conditions of, and the criteria included in, this Agreement;

(4) To provide for the cancellation of the Restricted Stock in exchange for either an amount of cash or other property with a value equal to the fair market value of, or the amount that could have been obtained upon the realization of the Participant's rights under, the vested portion of such Award; provided that, if the fair market value, or the amount that could have been obtained upon the realization, of the Participant's rights in any case, is equal to or less than zero, then the Restricted Stock may be terminated without payment; and/or

(5) To replace the Restricted Stock with other rights or property of substantially equivalent value selected by the Board.

(b) In connection with the occurrence of any non-reciprocal transaction between the Company and its stockholders, such as a stock dividend, stock split, spin-off or recapitalization through a large, nonrecurring cash dividend, that affects the shares of Preferred Stock, common stock (or other securities of the Company) or the share price of Preferred Stock, common stock (or other securities of the Company) and causes a change in the per share value of the Preferred Stock (an "***Equity Restructuring***"), and notwithstanding anything to the contrary in this Section 4.8, the Board will equitably adjust the outstanding Restricted Stock, which adjustments may include adjustments to the number and type of securities, the grant of new Restricted Stock to the Participant, and/or the making of a cash payment to the Participant, as the Board deems appropriate to reflect such Equity Restructuring. The adjustments provided under this Section 4.8(b) shall be nondiscretionary and shall be final and binding on the Participant and the Company; *provided* that whether an adjustment is equitable shall be determined by the Board.

4.9 Amendment. This Agreement may be wholly or partially amended or otherwise modified, suspended or terminated at any time or from time to time by the Administrator (or the Board) in its discretion; *provided, however,* that, if such amendment, modification, suspension or termination of this Agreement impairs the rights of the Participant hereunder, no such amendment, modification, suspension or termination shall be effective until consented in writing by the Participant.

4.10 Termination of Status; Not a Contract of Employment or Services The Board shall determine the effect on the Restricted Stock of the disability, death, retirement, authorized leave of absence or any other change or purported change in a Participant's service provider status with the Company and the extent to which, and the period during which, the Participant, the Participant's legal representative, conservator, guardian or designated beneficiary may exercise rights under this Agreement, if applicable. Nothing in this Agreement shall confer upon the Participant any right to continue in the employ or engagement of the Company or any of its subsidiaries or shall interfere with or restrict in any way the rights of the Company or its subsidiaries, which are hereby expressly reserved, to discharge the Participant at any time for any reason whatsoever, with or without Cause, except as may otherwise be provided by the Employment Agreement or any other written agreement entered into by and between the Company and the Participant.

4.11 Lock-Up Period. The Company may, at the request of any representative of the underwriters or otherwise, in connection with any registration of the offering of any securities of the Company under the Securities Act, prohibit the Participant from, directly or indirectly, selling or otherwise transferring any shares of Preferred Stock, common stock or other securities of the Company during a period of up to one hundred eighty days following the effective date of a registration statement of the Company filed under the Securities Act.

* * * *

Exhibit 10.22

Execution Version

LIFE TIME GROUP HOLDINGS, INC.
NON-EMPLOYEE DIRECTOR COMPENSATION POLICY

Non-employee members of the board of directors (the "***Board***") of Life Time Group Holdings, Inc. (the "***Company***") shall be eligible to receive cash and equity compensation as set forth in this Non-Employee Director Compensation Policy (this "***Policy***"). The cash and equity compensation described in this Policy shall be paid or be made, as applicable, automatically and without further action of the Board, to each member of the Board who is not an employee of the Company or any parent or subsidiary of the Company or an affiliate of Leonard Green & Partners, L.P., TPG Global, LLC, LNK Partners, MSD Capital, L.P., LifeCo or Partners Group (USA) Inc. or that is set forth on Exhibit A (each, a "***Non-Employee Director***") who may be eligible to receive such cash or equity compensation, unless such Non-Employee Director declines the receipt of such cash or equity compensation by written notice to the Company. This Policy shall become effective after the effectiveness of the Company's initial public offering (the "***IPO***") and shall remain in effect until it is revised or rescinded by further action of the Board. This Policy may be amended, modified or terminated by the Board at any time in its sole discretion and if such IPO does not occur on or prior to January 1, 2022 this Policy shall be void *ab initio.* The terms and conditions of this Policy shall supersede any prior cash and/or equity compensation arrangements for service as a member of the Board between the Company and any of its Non-Employee Directors and between any subsidiary of the Company and any of itsnon-employee directors.

1. Cash Compensation.

(a) Annual Retainers. Each Non-Employee Director shall receive an annual retainer of $75,000 for service on the Board.

(b) Additional Annual Retainers. In addition, a Non-Employee Director shall receive the following annual retainers:

(i) Lead Independent Director. A Non-Employee Director serving as Lead Independent Director of the Board shall receive an additional annual retainer of $55,000 for such service.

(ii) Audit Committee. A Non-Employee Director serving as Chairperson of the Audit Committee shall receive an additional annual retainer of $30,000 for such service. A Non-Employee Director serving as a member of the Audit Committee (other than the Chairperson) shall receive an additional annual retainer of $15,000 for such service.

(iii) Compensation Committee. A Non-Employee Director serving as Chairperson of the Compensation Committee shall receive an additional annual retainer of $25,000 for such service. A Non-Employee Director serving as a member of the Compensation Committee (other than the Chairperson) shall receive an additional annual retainer of $10,000 for such service.

(iv) Nominating and Corporate Governance Committee. A Non-Employee Director serving as Chairperson of the Nominating and Corporate Governance Committee shall receive an additional annual retainer of $20,000 for such service. A Non-Employee Director serving as a member of the Nominating and Corporate Governance Committee (other than the Chairperson) shall receive an additional annual retainer of $10,000 for such service.

(c) Payment of Retainers. The annual retainers described in Sections 1(a) and 1(b) shall be earned on a quarterly basis based on a calendar quarter and shall be paid by the Company in arrears not later than the fifteenth day following the end of each calendar quarter. In the event a Non-Employee Director does not serve as a Non-Employee Director, or in the applicable positions described in Section 1(b), for an entire calendar quarter, such Non-Employee Director shall receive a prorated portion of the retainer(s) otherwise payable to such Non-Employee Director for such calendar quarter pursuant to Sections 1(a) and 1(b), with such prorated portion determined by multiplying such otherwise payable retainer(s) by a fraction, the numerator of which is the number of days during which the Non-Employee Director serves as a Non-Employee Director or in the applicable positions described in Section 1(b) during the applicable calendar quarter and the denominator of which is the number of days in the applicable calendar quarter.

2. Equity Compensation. Non-Employee Directors shall be granted the equity awards described below. The awards described below shall be granted under and shall be subject to the terms and provisions of the Company's 2021 Incentive Award Plan or any other applicable Company equity incentive plan then-maintained by the Company (such plan, as may be amended from time to time, the "***Equity Plan***") and shall be granted subject to the execution and delivery of award agreements, including attached exhibits, in substantially the forms previously approved by the Board. All applicable terms of the Equity Plan apply to this Policy as if fully set forth herein, and all equity grants hereunder are subject in all respects to the terms of the Equity Plan.

(a) Annual Awards. Each Non-Employee Director who (i) serves on the Board as of the date of any annual meeting of the Company's stockholders (an "***Annual Meeting***") after the Pricing Date and (ii) will continue to serve as a Non-Employee Director immediately following such Annual Meeting shall be automatically granted, on the date of such Annual Meeting, an award of restricted stock units that have an aggregate fair value on the date of such Annual Meeting of $155,000 (as determined in accordance with ASC 718 and with the number of shares of common stock underlying such award subject to adjustment as provided in the Equity Plan). The awards described in this Section 2(a) shall be referred to as the "***Annual Awards***." For the avoidance of doubt, a Non-Employee Director elected for the first time to the Board at an Annual Meeting shall receive only an Annual Award in connection with such election, and shall not receive any Initial Award on the date of such Annual Meeting as well.

(b) Initial Awards. Except as otherwise determined by the Board, each Non-Employee Director who is initially elected or appointed to the Board after the Pricing Date on any date other than the date of an Annual Meeting shall be automatically granted, on the date of such Non-Employee Director's initial election or appointment (such Non-Employee Director's "***Start Date***"), an award of restricted stock units that have an aggregate fair value on such Non-Employee Director's Start Date equal to the product of (i) $155,000 (as determined in accordance with ASC 718) and (ii) a fraction, the numerator of which is (x) 365 minus (y) the number of days in the period beginning on the date of the Annual Meeting immediately preceding such Non-Employee Director's Start Date (or, if no such Annual Meeting has occurred, the effective date of the Company's IPO) and ending on such Non-Employee Director's Start Date and the denominator of

which is 365 (with the number of shares of common stock underlying each such award subject to adjustment as provided in the Equity Plan). The awards described in this Section 2(b) shall be referred to as "***Initial Awards***." For the avoidance of doubt, no Non-Employee Director shall be granted more than one Initial Award.

(c) Termination of Employment of Employee Directors. Members of the Board who are employees of the Company or any parent or subsidiary of the Company who subsequently terminate their employment with the Company and any parent or subsidiary of the Company and remain on the Board will not receive an Initial Award pursuant to Section 2(b) above, but to the extent that they are otherwise eligible, will be eligible to receive, after termination from employment with the Company and any parent or subsidiary of the Company, Annual Awards as described in Section 2(a) above.

(d) Vesting of Awards Granted to Non-Employee Directors. Each Annual Award and Initial Award shall vest and become exercisable on the earlier of (i) the day immediately preceding the date of the first Annual Meeting following the date of grant and (ii) the first anniversary of the date of grant, subject to the Non-Employee Director continuing in service on the Board through the applicable vesting date. No portion of an Annual Award or Initial Award that is unvested or unexercisable at the time of a Non-Employee Director's termination of service on the Board shall become vested and exercisable thereafter. All of a Non-Employee Director's Annual Awards and Initial Awards shall vest in full immediately prior to the occurrence of a Change in Control (as defined in the Equity Plan), to the extent outstanding at such time.

* * * * *

Exhibit A

1. Stuart Lasher

Exhibit 10.23

EXECUTIVE EMPLOYMENT AGREEMENT

This EXECUTIVE EMPLOYMENT AGREEMENT (the "Agreement") is entered into on October 6, 2015, and effective as of the Effective Date (as defined below), by and between LTF Holdings, Inc. ("LTF Holdings"), Life Time Fitness, Inc. ("Life Time" and, together with any of its subsidiaries or affiliates that may employ Executive from time to time, the "Company" (except as provided in Section 6(d)), and Bahram Akradi ("Executive").

The Company is a recognized leader in the health and fitness industry, including the design and operation of health and fitness centers, the creation, promotion and sale of nutritional products, the production of athletic events and the publication of a healthy way of life magazine. The Company has enjoyed considerable growth and success in the industry because of its innovative, confidential and proprietary management and marketing methods and plans.

The Company desires to assure Executive's continuing services to the Company and Executive desires to commit himself to serve the Company on the terms herein provided.

In consideration of the foregoing, and in order to accomplish all of the above objectives, the Company and Executive agree as follows:

1. **Definitions**.

a) "Board" shall mean the Board of Directors of LTF Holdings.

b) "Change of Control" shall mean:

(i) the sale of all or substantially all of the assets of LTF Holdings or Life Time and its or their subsidiaries, on a consolidated basis, whether in one transaction or a series of related transactions, to any other person or entity (other than LTF Holdings or any of its subsidiaries, any of the Principal Stockholders, or any employee benefit plan maintained by LTF Holdings or any of its subsidiaries); or

(ii) a change in beneficial ownership or control of LTF Holdings effected through a transaction or series of transactions (other than an offering of common stock or other securities to the general public through a registration statement filed with the Securities and Exchange Commission) whereby any "person" or related "group" of "persons" (as such terms are used in Section 13(d) and 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) (other than LTF Holdings, any of its subsidiaries, any Principal Stockholder, or any employee benefit plan maintained by LTF Holdings or any of its subsidiaries), directly or indirectly acquires beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of securities of LTF Holdings possessing more than 50% of the total combined voting power of LTF Holdings' securities outstanding immediately after such acquisition.

c) "Cause" shall mean that Executive has:

(i) been convicted of, pleaded nolo contendere to or, subject to Section 5(b), been indicted for, (A) any serious or violent felony or (B) any crime involving dishonesty, fraud or unlawful behavior against or at the expense of the Company; or

(ii) engaged in gross negligence or willful misconduct in the performance of Executive's duties, where such acts adversely affect the business affairs of the Company in a material way.

d) "Code" shall mean the Internal Revenue Code of 1986, as amended.

e) "Disability" shall mean the inability of Executive to perform on a full-time basis the duties and responsibilities of Executive's employment with the Company by reason of Executive's illness or other physical or mental impairment or condition, as determined by a physician mutually acceptable to Executive and the Company, if such inability continues for an uninterrupted period of 90 days or more during any 365-day period. A period of inability shall be "uninterrupted" unless and until Executive returns to full-time work from the above-referenced leave for a continuous period of at least 180 days, excluding vacation days or sick days taken for reasons unrelated to the illness or other physical or mental impairment or condition necessitating the above-referenced leave.

f) "Good Reason" shall mean without Executive's express written consent, any of the following conditions shall occur, provided that none of the following conditions shall constitute Good Reason unless Executive first gives written notice to the Company within 90 days of the first occurrence of the condition, delineating the claimed breach and setting forth Executive's intention to terminate Executive's employment if such breach is not duly remedied within 30 business days, and the Company fails to cure the condition within such 30-day period:

(i) the Company has breached any material term(s) or material condition(s) of this Agreement, which breach was not caused by Executive;

(ii) the Company relocates its executive offices outside of a seventy-five (75) mile radius of its current location, and the relocation results in a material change to the geographic location at which Executive performs services; or

(iii) the Company has assigned duties and responsibilities to Executive that are materially inconsistent with Executive's position, duties and responsibilities as set forth in Section 2(b), such that there occurs a material reduction in Executive's duties, responsibilities or authority as set forth in Section 2(b).

g) "LGP" shall mean Green Equity Investors VI, L.P. and Green Equity Investors Side VI, L.P. and any of their respective affiliates.

h) "Merger Agreement" shall mean the Agreement and Plan of Merger among Life Time, LTF Holdings, LTF Merger Sub, Inc., dated as of March 15, 2015.

i) "Notice of Termination" shall mean a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated, and (iii) if the Termination Date is other than the date of receipt of such notice, specifies the Termination Date (which date, in the event of termination by Executive without Good Reason, shall not be less than ninety days after the giving of such notice). The failure by Executive or the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason or Cause shall not waive any right of Executive or the Company, respectively, hereunder or preclude Executive or the Company, respectively, from asserting such fact or circumstance in enforcing Executive's or the Company's right hereunder.

j) "Principal Stockholders" shall mean Green Equity Investors VI, L.P., Green Equity Investors Side VI, L.P., and TPG Partners VII, L.P. and any of their respective affiliates.

k) "Restricted Period" shall mean the 18-month period following the Termination Date.

l) "Section 409A" shall mean Section 409A of the Code and the Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the Effective Date.

m) "Stockholders Agreement" shall mean the LTF Holdings, Inc. Stockholders Agreement, originally entered into as of June 10, 2015, as it may be amended from time to time.

n) "Termination Date" shall mean (i) if Executive's employment is terminated by the Company for Cause, or by Executive for any reason, the date of receipt of the Notice of Termination or any later date specified therein, as the case may be, (ii) if Executive's employment is terminated by the Company other than for Cause or Disability, the date on which the Company notifies Executive of such termination, and (iii) if Executive's employment is terminated by reason of death or Disability, the date of death of Executive or the first date Disability is determined, as the case may be; provided that, upon termination by Executive without Good Reason, the Board may, in its discretion, designate any date on or prior to the date specified in the Notice of Termination as the Termination Date for all purposes.

o) "TPG" shall mean TPG Partners VII, L.P. and any of its affiliates.

2. **Term of Employment; Position and Duties**

a) The term of employment under this Agreement (the "Term") shall be for the period beginning on the date of the consummation of the transactions contemplated by the Merger Agreement (the "Effective Date") and ending on December 31, 2020, unless earlier terminated as provided in Section 5.

b) During the Term, Executive: (i) shall serve as President and Chief Executive Officer of LTF Holdings and Life Time, with responsibilities, duties and authority customary for such position and consistent with his duties and responsibilities immediately prior to the Effective Date, subject to direction by the Board; (ii) shall report directly to the Board; (iii) shall devote a majority of Executive's working time and efforts to the business and affairs of the Company and its affiliates (provided that Executive will be permitted to manage his personal, financial and legal affairs, participate in trade associations and be involved in charitable and professional activities (including serving on charitable and professional boards), to the extent such activities do not interfere or adversely affect Executive's duties and responsibilities to the Company); and (iv) agrees to observe and comply with the Company's rules and policies as adopted by the Company from time to time. In addition, during the Term, Executive shall also serve as the Chairman of the Board of LTF Holdings and as the Chairman of the Board of Life Time. The parties acknowledge and agree that Executive's duties, responsibilities and authority may include services for one or more subsidiaries or affiliates of the Company. Without limiting the foregoing, the parties acknowledge and agree that, during the Term, Executive shall have the authority, without further Board approval, to approve capital expenditures of the Company that do not exceed (a) $5 million for any distinct project or (b) $25,000,000 per fiscal year in the aggregate.

3. **Compensation**

a) Base Salary. During the Term, Executive shall receive a base salary at a rate of $1,000,000 per annum (prorated for any partial year), which shall be paid in accordance with the customary payroll practices of the Company (the "Base Salary").

b) Guaranteed Bonus. Executive shall receive a guaranteed bonus in an amount equal to $1,000,000 in respect of each fiscal year ending during the Term (the "Guaranteed Bonus"), which shall be paid on the first payroll date following the end of the applicable fiscal year, subject to Executive's continued employment with the Company through the end of the applicable fiscal year; provided, however, that for fiscal year ending December 31, 2015, the amount of the Guaranteed Bonus shall be equal to the excess of (i) $2,000,000 over (ii) the aggregate amount of base salary and any bonuses (other than the Annual Bonus (as defined below)) paid to Executive with respect to service during calendar year 2015 (taking into account base salary and bonuses (other than the Annual Bonus) paid to Executive before and after the Effective Date with respect to service during calendar year 2015).

c) Annual Incentive Bonus. With respect to each Company fiscal year that ends during the Term, commencing with the fiscal year ending December 31, 2015, Executive shall be eligible to receive an annual performance-based cash bonus (the "Annual Bonus") which shall be payable based upon the attainment of the performance goals set forth in Exhibit A. The amount of the Annual Bonus with respect to each fiscal year during the Term shall be determined in accordance with Exhibit A. The Annual Bonus with respect to each fiscal year shall be payable within 30 days following the Board's receipt of the Company's audited financial statements for such fiscal year. Notwithstanding any other provision of this Section 3(c), no bonus shall be payable with respect to any fiscal year unless Executive remains continuously employed with the Company through the end of the applicable fiscal year.

d) Option Award. On the date hereof, LTF Holdings will grant Executive an option (the "Option") to purchase shares of common stock, par value $0.01 per share, of LTF Holdings, (the "Shares") pursuant to the terms of LTF Holdings, Inc. 2015 Equity Incentive Plan (the "Equity Plan") and an award agreement in the form attached hereto as Exhibit B, and any Shares received upon exercise of the Option shall be subject to the terms of the Stockholders Agreement.

e) Restricted Stock Award.

(i) On April 1 of each of 2016 through 2020, LTF Holdings will grant Executive 66,500 Shares (such Shares in any fiscal year, the "Annual Restricted Shares" for such fiscal year), subject to the terms of the Equity Plan, an award agreement in substantially the form attached hereto as Exhibit C (each, a "Restricted Share Agreement") and the terms of the Stockholders Agreement; provided that no such Share grants shall be made following a Change of Control; provided, further, that no portion of any Annual Restricted Shares granted in any fiscal year subject to vesting based on EBITDA shall be eligible to vest as a result of EBITDA with respect to any fiscal year ending after December 31, 2020. With respect to the Annual Restricted Shares, the target EBITDA for each fiscal year ending December 31, 2016 through 2020, to the extent applicable, shall equal the "Target EBITDA" for such fiscal year as set forth on (and subject to the adjustments referenced in) Exhibit A.

(ii) Notwithstanding anything to the contrary in the Equity Plan, any Restricted Share Agreement or the Stockholders Agreement, if, after December 31, 2016, either LGP acquires all or substantially all of the Shares (and any other equity interests of LTF Holdings) held by TPG or TPG acquires all or substantially all of the Shares (and any other equity interests of LTF Holdings) held by LGP, then (x) 50% of Executive's then-outstanding unvested Time Vesting Shares (as defined in the

applicable Restricted Share Agreement) will vest, and (y) Executive will have the right, upon written notice to the acquiring Principal Stockholder within thirty (30) days following such acquisition, to require the acquiring Principal Stockholder to purchase a portion of the total number of Shares then held by Executive (including any Shares vested pursuant to Section 3(e)(ii)(x) above), up to a maximum of 50% of such Shares, on substantially the same terms and conditions (including the same purchase price paid per Share paid by LGP or TPG, as applicable, in such acquisition).

4. **Notice of Termination**.

Any termination of Executive's employment by the Company for Cause, or by Executive for any reason, shall be communicated by Notice of Termination to the other party hereto.

5. **Payments upon Termination of Employment**.

a) If Executive's employment with the Company is terminated (i) by the Company for any reason other than for Cause, death or Disability or (ii) by Executive for Good Reason such that the Termination Date occurs within six months of the first occurrence of the condition giving rise to Good Reason, then the Company shall pay to Executive, subject to the conditions of Section 5(d) below, an amount equal to 150% of the sum of (A) Base Salary, (B) the Guaranteed Bonus and (C) "Target CEO Incentive Bonus" (as set forth on Exhibit A) for the fiscal year of termination. Subject to Section 5(d), such payment shall be paid to Executive in equal installments in accordance with the Company's regular payroll schedule, commencing on the first regular payroll date of the Company that occurs on or following the Termination Date and continuing through the 18-month anniversary of the Termination Date; provided that to the extent that any portion of such payment is delayed pursuant to Section 5(d), such portion shall be paid in a lump sum on the first payroll date following the 60th day following the Termination Date.

b) Subject to Section 5(c), if Executive's employment with the Company is terminated by reason of:

(i) Executive's resignation for any reason other than Good Reason;

(ii) the Company's termination of Executive's employment for Cause; or

(iii) Executive's Disability or death.

then the Company shall pay to Executive or Executive's beneficiary or Executive's estate, as the case may be, Executive's Base Salary through the Termination Date and any Guaranteed Bonus or Annual Incentive Bonus earned but unpaid for the prior fiscal year if not paid prior to the Termination Date. In no event shall Executive be entitled to receive any pro-rated Guaranteed Bonus or pro-rated Annual Incentive Bonus for the fiscal year in which the Termination

Date occurs upon Executive's resignation for any reason other than Good Reason or the Company's termination of Executive's employment for Cause (but Executive shall be eligible for any pro-rated Guaranteed Bonus or pro-rated Annual Incentive Bonus for the fiscal year in which the Termination Date occurs due to Executive's Disability or death). Notwithstanding the foregoing, if (A) the Executive's employment is terminated by the Company for Cause due to his indictment for (x) any serious or violent felony or (y) any crime involving dishonesty, fraud or unlawful behavior against or at the expense of the Company and (B) as of the 18-month anniversary of the Termination Date, the Executive has neither been convicted of, nor plead nolo contendere to, such felony or crime (or the indictment is withdrawn prior to such 18-month anniversary of the Termination Date) (the "Indictment End Date"), then such termination of employment shall be deemed a termination by the Company other than for Cause and the Executive will, subject to Section 5(d), be entitled to a payment equal to the amount described in the first sentence of Section 5(a), payable in accordance with Section 5(a) and 5(d) commencing as if, solely for this purpose, the Indictment End Date was the Termination Date; or

c) In the event of termination of Executive's employment, the sole obligation of the Company shall be its obligation to make the payments called for by Section 5(a) or 5(b) hereof, as the case may be, and the Company shall have no other obligation to Executive or to Executive's beneficiary or Executive's estate, except as otherwise provided by law, under the terms of any subsequent written agreement between Executive and the Company, and under the terms of any employee benefit plans or programs then maintained by the Company in which Executive participates (other than any such plans or programs that provide for severance or similar benefits).

d) Notwithstanding the foregoing provisions of this Section 5, the Company shall not make any payments to Executive under Section 5(a) above unless and until, as of the 60th day following the Termination Date (i) Executive has signed a global release of claims against the Company and its affiliates and their respective directors, officers, employees, shareholders, agents and assigns (other than rights Executive may have to indemnification from the Company arising out of the performance of his duties as a director or officer), such release to be prepared by the Board in its reasonable discretion; and (ii) all applicable rescission periods provided by law for releases of claims have expired and Executive has not rescinded such release of claims.

6. **Covenants**. In consideration of this Agreement, Executive agrees as follows:

a) Introduction. The parties acknowledge that the provisions and covenants contained in this Section 6 are material to this Agreement and that the limitations contained in this Agreement are reasonable in geographic and temporal scope and do not impose a greater restriction or restraint than is necessary to protect the goodwill and other legitimate business interests of the Company. The parties also acknowledge and agree that the provisions of this Section 6 do not adversely affect Executive's ability to earn a living in any capacity that does not violate the covenants contained herein.

b) Confidential Information. Except as permitted by the Board, during the term of Executive's employment with the Company and at all times thereafter, Executive shall not divulge, furnish or make accessible to anyone or use in any way other than in the ordinary course of the business of the Company, any confidential, proprietary or secret knowledge or information of the Company, whether developed by Executive or others, including but not limited to (i) trade secrets, (ii) confidential and proprietary plans, developments, research, processes, designs, methods or material (whether or not patented or patentable), (iii) customer and supplier lists, (iv) strategic or other business, marketing or sales plans, and (v) financial data and plans. Executive acknowledges that the above-described knowledge and information constitutes a unique and valuable asset of the Company and represents a substantial investment of time and expense by the Company, and that any disclosure or other use of such knowledge or information other than for the sole benefit of the Company would be wrongful and would cause irreparable harm to the Company. During the term of Executive's employment with the Company, Executive shall refrain from any intentional acts or omissions that would reduce the value of such knowledge or information to the Company. The foregoing obligations of confidentiality shall not apply to any knowledge or information that (A) is now or subsequently becomes generally publicly known for reasons other than Executive's violation of this Agreement, (B) is independently made available to Executive in good faith by a third party who has not violated a confidential relationship with the Company, or (C) is required to be disclosed by legal process, other than as a direct or indirect result of the breach of this Agreement by Executive.

c) Ventures. If, during Executive's employment with the Company, Executive is engaged in or associated with the planning or implementing of any project, program or venture involving the Company, all rights in such project, program or venture shall belong to the Company. Except as approved in writing by the Board, Executive shall not be entitled to any interest in any such project, program or venture or to any commission, finder's fee or other compensation in connection therewith. Executive shall have no interest, direct or indirect, in any customer or supplier that conducts business with the Company, provided that a passive investment of less than 2.5% of the outstanding shares of capital stock of any customer or supplier listed on a national securities exchange or publicly traded in the over-the-counter market shall not constitute a breach of this sentence.

d) Agreement Not to Compete. During Executive's employment with the Company and the Restricted Period, regardless of the reason for such termination and regardless of whether the termination is initiated by the Company or Executive, Executive shall not, directly or indirectly, engage in any manner or capacity (including without limitation as a proprietor, principal, agent, partner, officer, director, employee, member of any association, consultant or otherwise) in any Company Business (as defined below) in the Territory (as defined below). For

purposes of this Section 6, (i) "Company" means LTF Holdings and any parent, affiliated, related and/or direct or indirect subsidiary entity thereof, (ii) "Company Business" means (A) the design, development, management or marketing of health and fitness clubs, and/or health and fitness club memberships and services, and/or nutritional supplements, (B) the publication of any health and fitness publications and/or (C) the sale, design or promotion of any other product or service that grows into a material business for the Company (or is under development and is projected to grow into a material business for the Company) as of the Termination Date and (iii) "Territory" means the United States, Canada and any other country in which the Company is then doing Company Business as of the Termination Date. Ownership by Executive, as a passive investment, of less than 2.5% of the outstanding shares of capital stock of any corporation listed on a national securities exchange or publicly traded in the over-the-counter market shall not constitute a breach of this Section 6(d).

e) Agreement Not to Solicit or Hire Employees. During Executive's employment with the Company and the Restricted Period, regardless of the reason for such termination and regardless of whether the termination is initiated by the Company or Executive, Executive shall not, directly or indirectly, (i) solicit for the purpose of employing or otherwise engaging any person who is then an employee of the Company or who was an employee of the Company as of the Termination Date or at any time in the six-month period prior to solicitation, or (ii) hire or engage any person (A) who is (or, in the six-month period prior to hire, was) a director or officer of the Company, or (B) who was a key management employee over which Executive had any direct supervisory authority or with which Executive had directly interacted on a regular basis at any time during his employment with the Company, in each case, in any manner or capacity, including without limitation as a proprietor, principal, agent, partner, officer, director, stockholder, employee, member of any association, consultant or otherwise.

f) Agreement Not to Solicit Business Relations. During Executive's employment with the Company and the Restricted Period, regardless of the reason for such termination and regardless of whether the termination is initiated by the Company or Executive, Executive shall not, directly or indirectly, solicit, request, advise or induce any current or potential customer, supplier or other business contact of the Company to cancel, curtail or otherwise change its relationship with the Company, in any manner or capacity, including without limitation as a proprietor, principal, agent, partner, officer, director, stockholder, employee, member of any association, consultant or otherwise.

g) Blue Pencil Doctrine. If the duration of, the scope of or any business activity covered by any provision of this Section 6 is in excess of what is valid and enforceable under applicable law, such provision shall be construed to cover only that duration, scope or activity that is valid and enforceable. Executive hereby acknowledges that this Section 6 shall be given the construction that renders its provisions valid and enforceable to the maximum extent, not exceeding its express terms, possible under applicable law.

h) Company Breach. Notwithstanding anything to the contrary in this Section 6, if (i) Executive is entitled to any payments pursuant to Section 5(a) and (ii) the Company fails in any material respect to make such payments in accordance with Section 5(a) and does not cure such failure within 30 days following the receipt of written notice of such failure from Executive, then the restrictive covenants in Sections 6(d), (e) and (f) shall cease to apply following the expiration of such 30-day period unless and until the Company cures such failure thereafter.

7. **Intellectual Property and Related Matters**.

a) Protectable Material. All right, title and interest in all discoveries, inventions, improvements, innovations and other material that Executive shall conceive or originate individually or jointly or commonly with others during the term of Executive's employment with the Company (i) that are directly related to the business of the Company or to the Company's actual or demonstrably anticipated research or development, or that results from any work performed by Executive for the Company, (ii) for which any equipment, supplies, facility or trade secret information of the Company was used and/or (iii) which was not developed entirely on Executive's own time, whether or not patentable, copyrightable, or registrable as a trademark ("Protectable Material"), shall be the property of the Company and are hereby assigned by Executive to the Company (and Executive agrees to assign all Protectable Material to the Company in the future), along with ownership of any and all patents, copyrights, trademarks and other intellectual property rights in the Protectable Material. Upon request and without further compensation therefor, but at no expense to Executive, Executive shall execute any and all papers and perform all other acts necessary to assist the Company to obtain and register patents, copyrights, trademarks and other intellectual property rights on the Protectable Materials in any and all countries. Where applicable, works of authorship created by Executive for the Company in performing Executive's duties and responsibilities hereunder shall be considered "works made for hire," as defined in the U.S. Copyright Act.

b) Trade Secrets. All trade secret information conceived or originated by Executive that arises during the term of Executive's employment with the Company and out of the performance of Executive's duties and responsibilities hereunder or any related material or information shall be the property of the Company, and all rights therein are hereby assigned by Executive to the Company.

c) Inventions/Non-Protectable Material.

(i) During the Term, Executive shall be obligated to inform the Company of any discoveries, inventions, improvements, innovations and other material that Executive shall conceive or originate individually or jointly or commonly with others, whether or not patentable, copyrightable, or registrable as a trademark, that he reasonably believes do not constitute Protectable Material (any such material that is not Protectable Material, "Non-Protectable Material") and, to the extent such material constitutes Non-Protectable Material, the Company shall have no rights, title or interests in such material (unless otherwise agreed with Executive).

(ii) Executive hereby acknowledges that the Company has provided him with the notification set forth on Exhibit D hereto on the date hereof and Executive shall sign such notification as soon as reasonably practicable after the date hereof.

8. **Return of Records and Property**. On or within thirty days of the Termination Date, Executive shall promptly deliver to the Company any and all Company records and any and all Company property in Executive's possession or under Executive's control, and all copies thereof, including without limitation manuals, books, blank forms, documents, letters, memoranda, notes, notebooks, reports, printouts, computer disks, computer tapes, source codes, data, tables or calculations, keys, access cards, access codes, passwords, credit cards, personal computers, telephones and other electronic equipment belonging to the Company.

9. **Remedies**. Executive acknowledges that the provisions of Sections 6 through 8 and Section 11 are reasonable and necessary to protect the legitimate interests of the Company, and that any violation of those provisions by Executive would cause substantial and irreparable harm to the Company to such an extent that monetary damages alone would be an inadequate remedy therefore. Therefore, in the event of any actual or threatened breach of any such provisions, the Company shall, in addition to any other remedies it may have, be entitled to injunctive and other equitable relief to enforce such provisions and to restrain Executive from violating or continuing to violate such provisions, and such relief may be granted without the necessity of proving actual monetary damages or posting bond. The preceding sentence shall not be construed to prevent Executive from disputing the factual basis of any remedies or defenses asserted by the Company. Executive agrees that the Restricted Period shall be tolled, and shall not run, during any period of time in which he is in violation of the terms of Sections 6(d), (e) or (f), in order that the Company and its affiliates shall have all of the agreed-upon temporal protection recited herein. Subject to Section 6(h), no breach of any provision of this Agreement by the Company, or any other claimed breach of contract or violation of law, or change in the nature or scope of Executive's employment relationship with the Company, shall operate to extinguish Executive's obligation to comply with Sections 6 through 8 and Section 11 hereof. Each of the Company's affiliates shall have the right to enforce all of Executive's obligations to that affiliate under this Agreement, including without limitation pursuant to Sections 6 through 8 and Section 11 hereof.

10. **Indemnification**. The Company agrees to defend and indemnify Executive to the fullest extent permitted by applicable law and the Company's governing documents and Executive shall be entitled to the protection of any insurance policies the Company maintains generally for the benefit of its directors and officers.

11. **Non-Disparagement**. Executive will not malign, defame or disparage the reputation, character, image, products or services of the Company or any of its affiliates, or the reputation or character of the Company's or any of its affiliates' directors, officers, employees, shareholders or agents, provided that nothing in this Section 11 shall be construed to limit or restrict Executive from taking any action that Executive in good faith reasonably believes is necessary to fulfill Executive's fiduciary obligations to the Company, or from providing truthful information in connection with any legal proceeding, government investigation or other legal matter. The Company shall instruct its current executive officers and directors not to malign, defame or disparage the reputation, character, image, products or services of Executive, or the reputation or character of Executive, provided that nothing in this Section 11 shall be construed to limit or restrict such officers and directors from taking any action that they in good faith reasonably believes is necessary to fulfill their fiduciary obligations to the Company, or from providing truthful information in connection with any legal proceeding, government investigation or other legal matter.

12. **Miscellaneous**.

a) Governing Law. All matters relating to the interpretation, construction, application, validity and enforcement of this Agreement shall be governed by the laws of the State of Minnesota without giving effect to any choice or conflict of law provision or rule, whether of the State of Minnesota or any other jurisdiction, that would cause the application of laws of any jurisdiction other than the State of Minnesota.

b) Jurisdiction and Venue. Executive and the Company consent to jurisdiction of the courts of the State of Minnesota and/or the United States District Court, District of Minnesota, for the purpose of resolving all issues of law, equity, or fact, arising out of or in connection with this Agreement. Any action involving claims of a breach of this Agreement shall be brought in such courts. Each party consents to personal jurisdiction over such party in the aforementioned courts and hereby waives any defense of lack of personal jurisdiction. Venue, for the purpose of all such suits, shall be in Minneapolis, Minnesota.

c) Entire Agreement. This Agreement contains the entire agreement of the parties relating to the subject matter of this Agreement and supersedes all prior agreements and understandings with respect to the subject matter hereof. The parties have made no agreements, representations or warranties relating to the subject matter of this Agreement that are not set forth herein.

d) No Violation of Other Agreements. Executive hereby represents and affirms that neither Executive's entering into and undertaking of obligations under this Agreement nor Executive's employment with the Company violate any other agreement (oral, written or other) to which Executive is a party or by which Executive is bound.

e) Amendments. No amendment or modification of this Agreement shall be deemed effective unless made in writing and signed by the parties hereto.

f) No Waiver. No term or condition of this Agreement shall be deemed to have been waived, except by a statement in writing signed by the party against whom enforcement of the waiver is sought. Any written waiver shall not be deemed a continuing waiver unless specifically stated, shall operate only as to the specific term or condition waived and shall not constitute a waiver of such term or condition for the future or as to any act other than that specifically waived.

g) Assignment. This Agreement shall not be assignable, in whole or in part, by either party without the written consent of the other party.

h) Counterparts. This Agreement may be executed in any number of counterparts and by facsimile, such counterparts executed and delivered, each as an original, shall constitute but one and the same instrument.

i) Severability. Subject to Section 6(g) hereof, to the extent that any portion of any provision of this Agreement shall be invalid or unenforceable, it shall be considered deleted herefrom and the remainder of such provision and of this Agreement shall be unaffected and shall continue in full force and effect.

j) Captions and Headings. The captions and paragraph headings used in this Agreement are for convenience or reference only and shall not affect the construction or interpretation of this Agreement or any of the provisions hereof.

k) Notices. Any notice hereunder shall be in writing and shall be deemed to have been duly given if delivered by hand, sent by reliable next-day courier, or sent by registered or certified mail, return receipt requested, postage prepaid, to the party to receive such notice addressed as follows:

If to LTF Holdings, Life Time or the Company:

Life Time Fitness, Inc.
2902 Corporate Place
Chanhassen, MN 55317
Attention: Executive Vice President, Human Resources

with a copy (which shall not constitute notice) to:

Leonard Green & Partners, L.P.
11111 Santa Monica Blvd., #2000
Los Angeles, CA 90025
Attention: John G. Danhakl
J. Kristofer Galashan

and

TPG Capital, L.P.
345 California Street, Suite 3300
San Francisco, CA 94104
Attention: General Counsel

and

Latham & Watkins LLP
885 Third Avenue
New York, NY 1022
Attention: Howard Sobel
John Giouroukakis
Bradd Williamson

and

Ropes & Gray LLP
800 Boylston Street
Boston, MA 02199
Attention: William M. Shields

If to Executive:

Bahram Akradi
c/o Life Time Fitness, Inc.
2902 Corporate Place
Chanhassen, MN 55317

with a copy (which shall not constitute notice) to:

Dorsey & Whitney LLP
50 South Sixth Street, Suite 1500
Minneapolis, MN 55402
Attention: Jay L. Swanson

or addressed to such other address as may have been furnished to the sender by notice hereunder. Except as otherwise provided herein, all notices shall be deemed given on the date on which delivered if delivered by hand, or on the date sent if sent by overnight courier or certified mail, except that notice of change of address will be effective only upon receipt by the other party.

l) Tax Withholding. The Company may withhold from any amounts payable under this Agreement such federal, state and local income and employment taxes as the Company shall determine are required or authorized to be withheld pursuant to any applicable law or regulation.

m) Section 280G. In the event that it shall be determined that any right to receive payment or other benefit under this Agreement or any other agreement by and between Executive and the Company, to or for the benefit of Executive (the "Payments"), would, in whole or part when aggregated with any other right,

payment or benefit to or for Executive under all other agreements or benefit plans of any other person or entity, be nondeductible by the Company (or other person making such payment or providing such benefit) as a result of Section 280G of the Code and/or would subject Executive to the excise tax imposed by Section 4999 of the Code (the "Excise Tax") then, subject to Executive's written agreement waiving his right to receive some or all of such payment or benefit (the "Waived Benefit") so that all remaining Payments shall not be deemed to be a parachute payment that would not be deductible under Section 280G of the Code (and accepting in substitution for the Waived Benefit the right to receive the Waived Benefit only if approved by the stockholders of the Company in a manner that complies with Section 280G(b)(5)(B) of the Code), the Company shall use commercially reasonable efforts to prepare and deliver to its stockholders the disclosure required by Section 280G(b)(5)(B) of the Code with respect to the Payments and to obtain the approval of the Company's stockholders in a manner that complies with Section 280G(b)(5)(B) of the Code.

n) Section 409A.

(i) The Company shall undertake to administer, interpret and construe this Agreement in a manner that does not result in the imposition on Executive of any additional tax, penalty or interest under Section 409A, and to comply with Section 409A to the extent applicable. Notwithstanding any provision of this Agreement to the contrary, in the event that the Company determines in good faith that any provision of this Agreement would cause Executive to incur an additional tax, penalty or interest under Section 409A, the Company and Executive shall cooperate in good faith to (A) adopt such amendments to this Agreement and appropriate policies and procedures, including amendments and policies with retroactive effect, as the Company and Executive determine to be necessary or appropriate to preserve the intended tax treatment of the benefits provided by this Agreement, to preserve the economic benefits of this Agreement and to avoid less favorable accounting or tax consequences for the Company and/or (B) take such other actions as the Company and Executive determine to be necessary or appropriate to exempt the amounts payable hereunder from Section 409A or to comply with the requirements of Section 409A and thereby avoid the application of penalty taxes thereunder. No provision of this Agreement shall be interpreted or construed to transfer any liability for failure to comply with the requirements of Section 409A from Executive or any other individual to the Company or any of its affiliates, employees or agents.

(ii) Separation from Service under Section 409A. (A) To the extent any payment hereunder constitutes "nonqualified deferred compensation" within the meaning of Section 409A, any such payment to be made under this Agreement upon a termination of employment shall only be made if such termination of employment constitutes a "separation from service" within the meaning of Section 1.409A-1(h) of the Department of Treasury

Regulations, (B) for purposes of Section 409A, Executive's right to receive installment payments pursuant to Section 5(a) shall be treated as a right to receive a series of separate and distinct payments; and (C) to the extent that any reimbursement of expenses or in-kind benefits constitutes "deferred compensation" within the meaning of Section 409A, such reimbursement or benefit shall be provided no later than December 31 of the year following the year in which the expense was incurred. The amount of expenses reimbursed in one year shall not affect the amount eligible for reimbursement in any subsequent year. The amount of any in-kind benefits provided in one year shall not affect the amount of in-kind benefits provided in any other year. Notwithstanding any other provision of this Agreement, if at the time of Executive's separation from service, he is a "specified employee," determined in accordance with Section 409A, any payments and benefits provided under this Agreement that constitute "nonqualified deferred compensation" subject to Section 409A that are provided to Executive on account of his separation from service shall not be paid until the first payroll date to occur following the six-month anniversary of Executive's termination date ("Specified Employee Payment Date"). The aggregate amount of any payments that would otherwise have been made during such six-month period shall be paid in a lump sum on the Specified Employee Payment Date and, thereafter, any remaining payments shall be paid without delay in accordance with their original schedule. If Executive dies during the six-month period, any delayed payments shall be paid to Executive's estate in a lump sum upon Executive's death.

IN WITNESS WHEREOF, Executive, LTF Holdings and Life Time have executed this Agreement as of the date first set forth in the first paragraph.

LTF Holdings, Inc.

/s/ James Spolor
By: James Spolor
Its: Secretary

Life Time Fitness, Inc.

/s/ James Spolor
By: James Spolor
Its: VP, Sen. Assoc. GC & Secretary

/s/ Bahram Akradi

Bahram Akradi

December 20, 2016

Bahram Akradi
c/o Life Time Fitness, Inc.
2902 Corporate Place
Chanhassen, MN 55317

Re: Fiscal 2017 EBITDA Adjustments

Dear Mr. Akradi:

This letter (the "Letter") is to inform you of certain agreed changes to the restricted stock granted to you under that certain Restricted Stock Agreement, by and between LTF Holdings, Inc., a Delaware corporation (the "Company") and you, dated as of April 1, 2016 (as amended, together with all appendices thereto, the "Restricted Stock Agreement") and terms and conditions of that certain Executive Employment Agreement, by and between the Company, Life Time Fitness, Inc., a Minnesota corporation, and you, dated as of October 6, 2015 (together with all exhibits thereto, the "Employment Agreement").

As you know, in 2016, the Company opened an aggregate of three new clubs instead of the six clubs that were originally expected. In order to reflect, among other things, the impact of this, the Company and you hereby acknowledge and agree that, notwithstanding the terms and conditions of the Restricted Stock Agreement and Employment Agreement:

(a) "Target EBITDA" with respect to the fiscal year ending December 31, 2017 ("Fiscal 2017") for purposes of Exhibit A to the Employment Agreement, Appendix B of Exhibit C to the Employment Agreement and Appendix B to the Restricted Stock Agreement is hereby decreased by $11,000,000 to $415,000,000; and

(b) "Min EBITDA" and "Max EBITDA" with respect to Fiscal 2017 for purposes of the Exhibit A to the Employment Agreement are hereby decreased to $394,250,000 and $435,750,000, respectively.

Except as expressly set forth in this Letter, the Restricted Stock Agreement and Employment Agreement shall remain unchanged and shall continue in full force and effect according to their terms. For the avoidance of doubt, this Letter does not modify any minimum, target or maximum EBITDA thresholds for any fiscal year other than Fiscal 2017.

* * * * *

IN WITNESS WHEREOF, the parties hereto have executed this Letter as of the first day and year set forth above.

LTF Holdings, Inc.

By: /s/ James Spolar
Name: James Spolar
Title: Secretary

LTF Holdings, Inc.

By: /s/ James Spolar
Name: James Spolar
Title: Vice President, Senior Associate
General Counsel and Secretary

Bahram Akradi

/s/ Bahram Akradi

Exhibit 10.24

EXECUTIVE EMPLOYMENT AGREEMENT

This EXECUTIVE EMPLOYMENT AGREEMENT (the "Agreement") is entered into on January 29, 2016 (the "Effective Date"), by and between Life Time Fitness, Inc. (together with any of its parents, subsidiaries or affiliates, the "Company"), and Thomas Bergmann ("Executive").

The Company is a recognized leader in the health and fitness industry, including the design and operation of health and fitness centers, the creation, promotion and sale of nutritional products, the production of athletic events, the design and operation of wellness incentive programs, medical spas, spa/salons, and restaurants/cafes, and the publication of a healthy way of life magazine. The Company has enjoyed considerable growth and success in the industry because of its innovative, confidential and proprietary management and marketing methods and plans.

The Company desires to employ Executive commencing as of February 16, 2016 (the "Start Date"), and Executive desires to be employed by the Company, on the terms herein provided.

In consideration of the foregoing, and in order to accomplish all of the above objectives, the Company and Executive agree as follows:

1. **Definitions**.

a) "Board" shall mean the Board of Directors of LTF Holdings, Inc., the Company's parent.

b) "Cause" shall mean that Executive has:

(i) been convicted of, pleaded *nolo contendere* to, or been indicted for, (A) any serious or violent felony or (B) any crime involving dishonesty, fraud or unlawful behavior against or at the expense of the Company; or

(ii) engaged in gross negligence or willful misconduct in the performance of Executive's duties, where such acts adversely affect the business affairs of the Company in a material way provided that the foregoing shall not constitute Cause unless the Company first gives written notice to Executive within 90 days of the first occurrence of the condition, delineating the claimed breach and setting forth the Company's intention to terminate Executive's employment if such breach is not duly remedied within 30 business days, and the Executive fails to cure the condition within such 30- day period.

c) "Code" shall mean the Internal Revenue Code of 1986, as amended.

d) "Disability" shall mean the inability of Executive to perform on a full-time basis the duties and responsibilities of Executive's employment with the Company by reason of Executive's illness or other physical or mental impairment or condition, as determined by a physician mutually acceptable to Executive and the Company,

if such inability continues for an uninterrupted period of 90 days or more during any 365-day period. A period of inability shall be "uninterrupted" unless and until Executive returns to full-time work from the above-referenced leave for a continuous period of at least 180 days, excluding vacation days or sick days taken for reasons unrelated to the illness or other physical or mental impairment or condition necessitating the above-referenced leave.

e) "Good Reason" shall mean without Executive's express written consent, any of the following conditions shall occur, provided that none of the following conditions shall constitute Good Reason unless Executive first gives written notice to the Company within 90 days of the first occurrence of the condition, delineating the claimed breach and setting forth Executive's intention to terminate Executive's employment if such breach is not duly remedied within 30 business days, and the Company fails to cure the condition within such 30-day period:

(i) the Company has breached any material term(s) or material condition(s) of this Agreement, which breach was not caused by Executive;

(ii) the Company relocates its executive offices outside of a seventy-five (75) mile radius of its current location, and the relocation results in a material change to the geographic location at which Executive performs services;

(iii) the Company has reduced Executive's Total Target Compensation, except as permitted in Section 3(a);

(iv) the Company has assigned duties and responsibilities to Executive that are materially inconsistent with Executive's position, duties and responsibilities as set forth in Section 2(b), such that there occurs a material reduction in Executive's duties, responsibilities or authority as set forth in Section 2(b); or

(v) The Company has Executive report directly to any officer other than the Chief Executive Officer of the Company.

f) "Notice of Termination" shall mean a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated, and (iii)if the Termination Date is other than the date of receipt of such notice, specifies the Termination Date (which date, in the event of termination by Executive without Good Reason, shall not be less than ninety days after the giving of such notice). The failure by Executive or the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason or Cause shall not waive any right of Executive or the Company, respectively, hereunder or preclude Executive or the Company, respectively, from asserting such fact or circumstance in enforcing Executive's or the Company's right hereunder.

g) "Restricted Period" shall mean the 18-month period following the Termination Date.

h) "Section 409A" shall mean Section 409A of the Code and the Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the Effective Date.

i) "Termination Date" shall mean (i) if Executive's employment is terminated by the Company for Cause, or by Executive for any reason, the date of receipt of the Notice of Termination or any later date specified therein, as the case may be, (ii) if Executive's employment is terminated by the Company other than for Cause or Disability, the date on which the Company notifies Executive of such termination, and (iii) if Executive's employment is terminated by reason of death or Disability, the date of death of Executive or the first date Disability is determined, as the case may be; provided that, upon termination by Executive without Good Reason, the Board may, in its discretion, designate any date on or prior to the date specified in the Notice of Termination as the Termination Date for all purposes. For purposes of Section 5(a) of this Agreement, with respect to the timing of payments thereunder, Termination Date shall mean the date of Executive's separation from service with the Company within the meaning of Section 409A(a)(2)(A)(i) of the Code.

2. **Term of Employment; Position and Duties**

a) The term of Executive's employment with the Company under this Agreement (the "Term") shall be for the period beginning on the Start Date and continuing until Executive's employment with the Company is terminated in accordance with the terms of this Agreement.

b) During the Term, Executive: (i) shall serve as the Company's Chief Financial Officer, with responsibilities, duties and authority customary for such position, subject to direction by the Company's Chief Executive Officer or the Board; (ii) shall report directly to the Company's Chief Executive Officer; (iii) shall devote a majority of Executive's working time and efforts to the business and affairs of the Company and its affiliates (provided that Executive will be permitted to manage his personal, financial and legal affairs, participate in trade associations and be involved in charitable and professional activities (including serving on charitable and professional boards and one board or equivalent governing body of a for-profit entity), to the extent such activities do not interfere or adversely affect Executive's duties and responsibilities to the Company); and (iv) agrees to observe and comply with the Company's rules and policies as adopted by the Company from time to time. The parties acknowledge and agree that Executive's duties, responsibilities and authority may include services for one or more subsidiaries or affiliates of the Company.

c) Unless otherwise requested by the Board in writing, upon Executive's termination of employment with the Company for any reason Executive shall automatically resign as of the Termination Date from all titles, positions and appointments Executive then holds with the Company, whether as an officer, director or employee (without any claim for compensation related thereto), and Executive hereby agrees to take all actions necessary to effectuate such resignations.

3. **Compensation**

a) Base Salary. During the Term, Executive shall receive a base salary at a rate of at least $600,000 per annum (prorated for any partial year), subject to annual review, which shall be paid in accordance with the customary payroll practices of the Company (the "Base Salary"); provided, however, the Company may reduce Executive's Base Salary as part of a Company-wide reduction in base salaries, which is applicable to similarly situated employees, but any such reduction to Executive's Base Salary may not exceed ten percent (10%) of Executive's Base Salary at the time of such reduction.

b) Annual Bonus Plan. With respect to each Company fiscal year that ends during the Term, commencing with the fiscal year ending December 31, 2016, Executive shall be eligible to earn an annual bonus (the "Annual Bonus") under the Company's annual cash-based incentive plan for executive vice presidents as may be approved, amended or replaced from time to time by the Board (the "Annual Bonus Plan"), subject to the terms and conditions of the Annual Bonus Plan, including measuring the Company's and Executive's performance against metrics established by the Board and/or the Company's Chief Executive Officer. Executive shall be eligible to participate in the Annual Bonus Plan for fiscal years 2016, 2017 and 2018, and for any fiscal year after fiscal year 2018 during which other executive vice presidents of the Company are eligible to participate in the Annual Bonus Plan. The Annual Bonus with respect to each fiscal year shall be payable within 30 days following the Board's receipt of the Company's audited financial statements for such fiscal year. Notwithstanding any other provision of this Section 3(b), no Annual Bonus shall be payable with respect to any fiscal year unless Executive remains continuously employed with the Company through the end of the applicable fiscal year.

c) Target Bonus. With respect to each Company fiscal year that ends during the Term, commencing with the fiscal year ending December 31, 2016, the Company shall establish a target cash-based incentive payment for Executive under the Annual Bonus Plan for the applicable fiscal year ("Target Bonus"). Notwithstanding any language in any Annual Bonus Plan to the contrary, Executive's Target Bonus for each of fiscal years 2016, 2017 and 2018 will be no less than $400,000, and the Company will pay Executive an Annual Bonus for each of fiscal years 2016, 2017 and 2018 that is equal to or greater than the Target Bonus for each such fiscal year, subject to Executive being employed with the Company through the end of applicable fiscal year. Any Target Bonus above $400,000 (for each of fiscal years 2016, 2017 and 2018) and any Target Bonus for any fiscal year after fiscal year

2018 will be based upon the same performance targets that apply to other executive vice presidents of the Company, to the extent applicable to Executive, and/or metrics agreed upon by Executive and the Chief Executive Officer of the Company.

d) Total Target Compensation. With respect to each Company fiscal year that ends during the Term, commencing with the fiscal year ending December 31, 2016, Executive's "Total Target Compensation" means the sum of Executive's Base Salary and Executive's Target Bonus in effect as of the applicable date; provided, however, that for purposes of Section 5(a) below, in the event Executive's employment is terminated by Executive for Good Reason pursuant to Section l(e)(iii), "Total Target Compensation as of the Termination Date" shall mean Executive's Base Salary or Target Bonus in effect as of immediately prior to the reduction in Executive's Base Salary or Target Bonus that gave rise to Good Reason under Section 1 (e)(iii).

e) Equity Awards. As of the Start Date, Executive will be granted a stock option award the "Option") under the Company's LTF Holdings, Inc. 2015 Equity Incentive Plan (the "Plan"). The Option will provide Executive with the opportunity to purchase 1,200,000 shares of the Company's common stock, will have a term of ten years, and will vest and become exercisable ratably on an annual basis over a five year period. The option will be subject to such additional terms and conditions as are specified in the Plan and in the applicable form of agreement granting the Option under the Plan. Additional equity grants will be based on performance and/or promotion at the discretion of the Board and/or the Company's Chief Executive Officer.

f) Relocation. Provided Executive completes Executive's relocation from the Chicago, Illinois metropolitan area to the Minneapolis/St. Paul, Minnesota metropolitan area no later than September 30, 2016, the Company will reimburse Executive for the following reasonable costs associated with Executive and Executive's immediate family relocating from the Chicago, Illinois metropolitan area to the Minneapolis/St. Paul, Minnesota metropolitan area: (i) the reasonable cost for temporary housing for Executive and Executive's significant other from the Start Date through no later than September 30, 2016; plus (ii) the actual costs of Executive's real estate brokerage and related fees, closing costs and legal expenses in connection with the sale of Executive's current primary residence in Illinois and closing costs in connection with Executive's purchase of a home in the Minneapolis/St. Paul, Minnesota metropolitan area, plus (iii) the actual travel costs for up to two round trips by Executive's significant other from Chicago to Minneapolis/St. Paul, plus (iv) the actual costs of moving the household goods and personal effects of Executive and Executive's immediate family (excluding extraordinary or unusual relocation expenses, such as relocating valuable personal property collections) from the Chicago, Illinois metropolitan area to the Minneapolis/St. Paul, Minnesota metropolitan area by one or more vendors agreed upon by Executive and the Company; *provided, however,* that the total combined reimbursement amounts paid to Executive under (i) through (iv) of this Section 1 (f) (excluding the tax gross up described below in this Section 1(f)) will not exceed

$150,000. For the avoidance of doubt, the Company's relocation reimbursement obligations under this Section 1(f) are subject to any withholdings required under applicable law and Executive's submission of appropriate receipts, and do not include any reimbursement for any relocation expenses not specifically identified above. If Executive fails to complete Executive's relocation from the Chicago, Illinois metropolitan area to the Minneapolis/St. Paul, Minnesota metropolitan area no later than September 30, 2016, then Executive must reimburse the Company for any payments made by the Company under this Section 1(f) no later than October 31, 2016 unless Executive's employment is terminated by the Company without Cause or Executive resigns for Good Reason before September 30, 2016. The Company shall gross up for tax purposes any deemed income arising pursuant to the payment or benefits provided under this Section 3(f) (other than any profit resulting from any sale of Executive's residence), so that the economic benefit is the same to Executive as if such payment or benefits were provided on a non- taxable basis to Executive.

g) Vehicle Lease. While the Executive is employed by the Company, the Company will lease a BMW X5 or materially comparable automobile for the Executive, and the Company will pay for all ordinary insurance, use, repair and maintenance expenses with respect to such automobile. The Company shall gross up for tax purposes any deemed income arising pursuant to the payment or benefits provided under this Section 3(g), so that the economic benefit is the same to Executive as if such payment or benefits were provided on a non-taxable basis to Executive.

h) Benefits and Expenses.

(i) Executive shall be eligible to participate in the employee benefit plans of the Company, subject to and on a basis consistent with the terms, conditions, and overall administration of such plans and arrangements applicable to similarly situated employees, except as otherwise provided herein. Executive shall pay any contributions which are generally required of employees to receive any such benefits. The Company provides no assurance as to the adoption or continuance of any particular employee benefit plan or program, and Executive's participation in any such plan or program shall be subject to the provisions, rules and regulations applicable thereto.

(ii) Executive shall be entitled to all paid holidays and paid vacation and leave in accordance with the Company's policy.

(iii) Executive shall be reimbursed for reasonable business travel and entertainment expenses in connection with the performance of Executive's duties in accordance with the policies applicable to similarly situated employees, as amended from time to time.

4. **Notice of Termination**.

Any termination of Executive's employment by the Company for Cause, or by Executive for any reason, shall be communicated by Notice of Termination to the other party hereto.

5. **Payments upon Termination of Employment**.

a) If Executive's employment with the Company is terminated (i) by the Company for any reason other than for Cause, death or Disability or (ii) by Executive for Good Reason such that the Termination Date occurs within six months of the first occurrence of the condition giving rise to Good Reason, then the Company shall pay to Executive the following amounts, subject to the conditions of Section 5(d) below:

(i) Target Compensation Continuation. The Company will pay to Executive an amount equal to 50% of Executive's Total Target Compensation as of the Termination Date, but not to exceed a maximum amount of two times the lesser of: (x) the Code § 401(a)(17) compensation limit for the year in which the Termination Date occurs; or (y) the sum of Executive's annualized compensation based upon the annual rate of pay for services provided to the Company for the calendar year prior to the calendar year in which the Termination Date occurs (adjusted for any increase during that year that was expected to continue indefinitely) (the "Target Compensation Continuation Amount"). Such Target Compensation Continuation Amount shall be paid to Executive in equal installments in accordance with the Company's regular payroll schedule, commencing on the first regular payroll date of the Company that occurs following the Termination Date and continuing for six months; provided that to the extent that any portion of such payment is delayed pursuant to Section 5(d), such portion shall be paid in a lump sum on the first payroll date following the 60th day following the Termination Date. The Company and Executive intend the payments under this Section 5(a)(i) to constitute a "separation pay plan due to involuntary separation from service" pursuant to Treas. Reg. § 1.409A-1 (b)(9)(iii).

(ii) Potential Make-Up Payment. In the event that the Target Compensation Continuation Amount is reduced under Section 5(a)(i) from 50% of Executive's Total Target Compensation as of the Termination Date by application of clause (x) or (y) thereof, then the Company shall make an additional lump sum payment to the Executive equal to the difference between (x) 50% of Executive's Total Target Compensation as of the Termination Date, and (y) the amount to be paid to the Executive under Section 5(a)(i) as a result of the application of clause (x) or (y) thereof. Such payment will be paid to the Executive on the Company's first regular payroll date that is after the expiration of all rescission periods identified in the release of claims described in Section 5(d) but in no event later than 75 days after the Termination Date. The Company and Executive intend the payments under this Section 5(a)(ii) to be a "short-term deferral" under Treas. Reg. § 1.409A-l(b)(4).

(iii) Supplemental Target Compensation Continuation. The Company will pay to Executive an additional amount equal to 100% of Executive's Total Target Compensation as of the Termination Date (the "Supplemental Target Compensation Continuation Amount"). Such Supplemental Target Compensation Continuation Amount shall be paid to Executive in equal installments in accordance with the Company's regular payroll schedule, commencing on the first regular payroll date of the Company that occurs following completion of all payments under Section 5(a)(i) (and in any event commencing no earlier than the first day of the seventh month after the Termination Date) and continuing for 12 months. The Company and Executive intend the payments under this Section 5(a)(iii) to be deferred compensation payable either in accordance with the "short-term deferral" exception under Treas. Reg. § 1.409A-1(b)(4) or in compliance with the requirements of Section 409A of the Code.

(iv) Continuation of Benefits. If Executive is eligible for and takes all steps necessary to continue Executive's group health insurance coverage with the Company following the Termination Date (including completing and returning the forms necessary to elect COBRA coverage), the Company will pay for the portion of the premium costs for such coverage that the Company would pay if Executive remained employed by the Company, at the same level of coverage that was in effect as of the Termination Date, through the earliest of: (x) the eighteen (18) month anniversary of the Termination Date, (y) the date Executive becomes eligible for group health insurance coverage from any other employer, or (z) the date Executive is no longer eligible to continue Executive's group health insurance coverage with the Company under applicable law. The Company shall gross up for tax purposes any deemed income arising pursuant to the payment or benefits provided under this Section 5(a)(iv), so that the economic benefit is the same to Executive as if such payment or benefits were provided on a non-taxable basis to Executive.

b) Subject to Section 5(d), if Executive's employment with the Company is terminated by reason of:

(i) Executive's resignation for any reason other than Good Reason;

(ii) the Company's termination of Executive's employment for Cause; or

(iii) Executive's Disability or death.

then the Company shall pay to Executive or Executive's beneficiary or Executive's estate, as the case may be, Executive's Base Salary through the Termination Date and any Annual Bonus earned but unpaid for the prior fiscal year if not paid prior to the Termination Date, and Executive shall not be entitled to receive any pro-rated Annual Bonus for the fiscal year in which the Termination Date occurs.

c) In the event of termination of Executive's employment, the sole obligation of the Company shall be its obligation to make the payments called for by Section 5(a) or 5(b) hereof, as the case may be, and the Company shall have no other obligation to Executive or to Executive's beneficiary or Executive's estate, except as otherwise provided by law, under the terms of any subsequent written agreement between Executive and the Company, and under the terms of any employee benefit plans or programs then maintained by the Company in which Executive participates (other than any such plans or programs that provide for severance or similar benefits).

d) Notwithstanding the foregoing provisions of this Section 5, the Company shall not make any payments to Executive under Section 5(a) above unless and until, as of the 60th day following the Termination Date: (i) Executive has signed a separation agreement and general release to be prepared by the Board in its reasonable discretion substantially in the form attached hereto as Exhibit A; and (ii) all applicable rescission periods provided by law for releases of claims have expired and Executive has not rescinded such release of claims.

6. **Covenants**. In consideration of this Agreement, Executive agrees as follows:

a) Introduction. The parties acknowledge that the provisions and covenants contained in this Section 6 are material to this Agreement and that the limitations contained in this Agreement are reasonable in geographic and temporal scope and do not impose a greater restriction or restraint than is necessary to protect the goodwill and other legitimate business interests of the Company. The parties also acknowledge and agree that the provisions of this Section 6 do not adversely affect Executive's ability to earn a living in any capacity that does not violate the covenants contained herein.

b) Confidential Information. Except as permitted by the Board, during the term of Executive's employment with the Company and at all times thereafter, Executive shall not divulge, furnish or make accessible to anyone or use in any way other than in the ordinary course of the business of the Company, any confidential, proprietary or secret knowledge or information of the Company, whether developed by Executive or others, including but not limited to (i) trade secrets, (ii) confidential and proprietary plans, developments, research, processes, designs, methods or material (whether or not patented or patentable), (iii) customer and supplier lists, (iv) strategic or other business, marketing or sales plans, and (v) financial data and plans. Executive acknowledges that the above-described knowledge and information constitutes a unique and valuable asset of the Company and represents a substantial investment of time and expense by the Company, and that any disclosure or other use of such knowledge or information other than for the sole benefit of the Company would be wrongful and would cause irreparable harm to the Company. During the term of Executive's employment with the Company, Executive shall refrain from any intentional acts or omissions that would reduce the

value of such knowledge or information to the Company. The foregoing obligations of confidentiality shall not apply to any knowledge or information that (A) is now or subsequently becomes generally publicly known for reasons other than Executive's violation of this Agreement, (B) is independently made available to Executive in good faith by a third party who has not violated a confidential relationship with the Company, or (C) is required to be disclosed by legal process, other than as a direct or indirect result of the breach of this Agreement by Executive.

c) Ventures. If, during Executive's employment with the Company, Executive is engaged in or associated with the planning or implementing of any project, program or venture involving the Company, all rights in such project, program or venture shall belong to the Company. Except as approved in writing by the Board, Executive shall not be entitled to any interest in any such project, program or venture or to any commission, finder's fee or other compensation in connection therewith. Executive shall have no interest, direct or indirect, in any customer or supplier that conducts business with the Company, provided that a passive investment of less than 2.5% of the outstanding shares of capital stock of any customer or supplier listed on a national securities exchange or publicly traded in the over-the-counter market shall not constitute a breach of this sentence.

d) Agreement Not to Compete. During Executive's employment with the Company and the Restricted Period, regardless of the reason for such termination and regardless of whether the termination is initiated by the Company or Executive, Executive shall not, directly or indirectly, engage in any manner or capacity (including without limitation as a proprietor, principal, agent, partner, officer, director, employee, member of any association, consultant or otherwise) in any Company Business (as defined below) in the Territory (as defined below). For purposes of this Section 6, (i) "Company Business" means (A) the design, development, operation, management, promotion, marketing or sale of products and services including health and fitness clubs, health and fitness club memberships and services, nutritional supplements, wellness incentive programs, medical spas, spa/salons, and restaurants/cafes located in health clubs, (B) the publication of any health and fitness publications and/or (C) the sale, design or promotion of any other product or service that grows into a material business for the Company (or any product or service under development which the Company has spent a material amount of time, money or other resources to develop and such product or service is projected to grow into a material business for the Company) as of the Termination Date, and (ii) "Territory" means the United States, Canada and any other country in which the Company is then doing Company Business as of the Termination Date. Ownership by Executive, as a passive investment, of less than 2.5% of the outstanding shares of capital stock of any corporation listed on a national securities exchange or publicly traded in the over-the-counter market shall not constitute a breach of this Section 6(d).

e) Agreement Not to Solicit or Hire Employees. During Executive's employment with the Company and the Restricted Period, regardless of the reason for such termination and regardless of whether the termination is initiated by the Company

or Executive, Executive shall not, directly or indirectly, (i) solicit for the purpose of employing or otherwise engaging any person who is then an employee of the Company or who was an employee of the Company as of the Termination Date or at any time in the six-month period prior to solicitation, or (ii) hire or engage any person (A) who is (or, in the six-month period prior to hire, was) a director or officer of the Company, or (B) who was a key management employee over which Executive had any direct supervisory authority or with which Executive had directly interacted on a regular basis at any time during his employment with the Company, in each case, in any manner or capacity, including without limitation as a proprietor, principal, agent, partner, officer, director, stockholder, employee, member of any association, consultant or otherwise. This Section 6(e) shall not restrict Executive or any future employer of Executive, or any entity in which Executive may own, directly or indirectly, an equity interest in, from placing notices of general solicitation of employment by means of advertisements, public notices, search firm inquiries or internal or external websites or job search engines which do not specifically target the aforementioned individuals and hiring individuals responding to such general solicitations, provided that such general solicitation does not eliminate Executive's individual restrictions on soliciting, hiring or engaging persons as set forth above.

f) Agreement Not to Solicit Business Relations. During Executive's employment with the Company and the Restricted Period, regardless of the reason for such termination and regardless of whether the termination is initiated by the Company or Executive, Executive shall not, directly or indirectly, solicit, request, advise or induce any current or potential customer, supplier or other business contact of the Company to cancel, curtail or otherwise change its relationship with the Company, in any manner or capacity, including without limitation as a proprietor, principal, agent, partner, officer, director, stockholder, employee, member of any association, consultant or otherwise.

g) Blue Pencil Doctrine. If the duration of, the scope of or any business activity covered by any provision of this Section 6 is in excess of what is valid and enforceable under applicable law, such provision shall be construed to cover only that duration, scope or activity that is valid and enforceable. Executive hereby acknowledges that this Section 6 shall be given the construction that renders its provisions valid and enforceable to the maximum extent, not exceeding its express terms, possible under applicable law.

h) Company Breach. Notwithstanding anything to the contrary in this Section 6, if (i) Executive is entitled to any payments pursuant to Section 5(a) and (ii) the Company fails in any material respect to make such payments in accordance with Section 5(a) and does not cure such failure within 30 days following the receipt of written notice of such failure from Executive, then the restrictive covenants in Sections 6(d), (e) and (f) shall cease to apply following the expiration of such 30- day period unless and until the Company cures such failure thereafter.

7. **Intellectual Property and Related Matters**.

a) Protectable Material. All right, title and interest in all discoveries, inventions, improvements, innovations and other material that Executive shall conceive or originate individually or jointly or commonly with others during the term of Executive's employment with the Company (i) that are directly related to the business of the Company or to the Company's actual or demonstrably anticipated research or development, or that results from any work performed by Executive for the Company, (ii) for which any equipment, supplies, facility or trade secret information of the Company was used and/or (iii) which was not developed entirely on Executive's own time, whether or not patentable, copyrightable, or registrable as a trademark ("Protectable Material"), shall be the property of the Company and are hereby assigned by Executive to the Company (and Executive agrees to assign all Protectable Material to the Company in the future), along with ownership of any and all patents, copyrights, trademarks and other intellectual property rights in the Protectable Material. Upon request and without further compensation therefor, but at no expense to Executive, Executive shall execute any and all papers and perform all other acts necessary to assist the Company to obtain and register patents, copyrights, trademarks and other intellectual property rights on the Protectable Materials in any and all countries. Where applicable, works of authorship created by Executive for the Company in performing Executive's duties and responsibilities hereunder shall be considered "works made for hire," as defined in the U.S. Copyright Act. Notwithstanding any other language in this Section 7(a) to the contrary, in accordance with Minnesota Statute Section 181.78 this Section 7(a) does not require Executive to assign or offer to assign to the Company any invention for which no equipment, supplies, facility or trade secret information of the Company was used and which was developed entirely on Executive's own time, and (A) which does not relate (y) directly to the business of the Company or (z) to the Company's actual or demonstrably anticipated research or development, or (B) which does not result from any work performed by Executive for the Company.

b) Trade Secrets. All trade secret information conceived or originated by Executive that arises during the term of Executive's employment with the Company and out of the performance of Executive's duties and responsibilities hereunder or any related material or information shall be the property of the Company, and all rights therein are hereby assigned by Executive to the Company.

c) Inventions/Non-Protectable Material. During the Term, Executive shall be obligated to inform the Company of any discoveries, inventions, improvements, innovations and other material that Executive shall conceive or originate individually or jointly or commonly with others, whether or not patentable, copyrightable, or registrable as a trademark, that he reasonably believes do not constitute Protectable Material (any such material that is not Protectable Material, "Non-Protectable Material") and, to the extent such material constitutes Non-Protectable Material, the Company shall have no rights, title or interests in such material (unless otherwise agreed with Executive).

8. **Return of Records and Property**. On or within thirty days of the Termination Date, Executive shall promptly deliver to the Company any and all Company records and any and all Company property in Executive's possession or under Executive's control, and all copies thereof, including without limitation manuals, books, blank forms, documents, letters, memoranda, notes, notebooks, reports, printouts, computer disks, computer tapes, source codes, data, tables or calculations, keys, access cards, access codes, passwords, credit cards, personal computers, telephones and other electronic equipment belonging to the Company.

9. **Remedies**. Executive acknowledges that the provisions of Sections 6 through 8 and Section 11 are reasonable and necessary to protect the legitimate interests of the Company, and that any violation of those provisions by Executive would cause substantial and irreparable harm to the Company to such an extent that monetary damages alone would be an inadequate remedy therefore. Therefore, in the event of any actual or threatened breach of any such provisions, the Company shall, in addition to any other remedies it may have, be entitled to injunctive and other equitable relief to enforce such provisions and to restrain Executive from violating or continuing to violate such provisions, and such relief may be granted without the necessity of proving actual monetary damages or posting bond. The preceding sentence shall not be construed to prevent Executive from disputing the factual basis of any remedies or defenses asserted by the Company. Executive agrees that the Restricted Period shall be tolled, and shall not run, during any period of time in which he is in violation of the terms of Sections 6(d), (e) or (f), in order that the Company and its affiliates shall have all of the agreed-upon temporal protection recited herein. Subject to Section 6(h), no breach of any provision of this Agreement by the Company, or any other claimed breach of contract or violation of law, or change in the nature or scope of Executive's employment relationship with the Company, shall operate to extinguish Executive's obligation to comply with Sections 6 through 8 and Section 11 hereof. Each of the Company's affiliates shall have the right to enforce all of Executive's obligations to that affiliate under this Agreement, including without limitation pursuant to Sections 6 through 8 and Section 11 hereof.

10. **Indemnification**. The Company agrees to defend and indemnify Executive to the fullest extent permitted by applicable law and the Company's governing documents and Executive shall be entitled to the protection of any insurance policies the Company maintains generally for the benefit of its directors and officers.

11. **Non-Disparagement**. Executive will not malign, defame or disparage the reputation, character, image, products or services of the Company or any of its affiliates, or the reputation or character of the Company's or any of its affiliates' directors, officers, employees, shareholders or agents, provided that nothing in this Section 11 shall be construed to limit or restrict Executive from taking any action that Executive in good faith reasonably believes is necessary to fulfill Executive's fiduciary obligations to the Company, or from providing truthful information in connection with any legal proceeding, government investigation or other legal matter. The Company shall instruct its current executive officers and directors not to malign, defame or disparage the reputation or image of Executive, provided that nothing in this Section 11 shall be construed to limit or restrict such officers and directors from taking any action that they in good faith reasonably believe

is necessary to fulfill their fiduciary obligations to the Company, or from providing truthful information in connection with any legal proceeding, government investigation or other legal matter.

12. **Miscellaneous**.

a) Governing Law. All matters relating to the interpretation, construction, application, validity and enforcement of this Agreement shall be governed by the laws of the State of Minnesota without giving effect to any choice or conflict of law provision or rule, whether of the State of Minnesota or any other jurisdiction, that would cause the application of laws of any jurisdiction other than the State of Minnesota.

b) Jurisdiction and Venue. Executive and the Company consent to jurisdiction of the courts of the State of Minnesota and/or the United States District Court, District of Minnesota, for the purpose of resolving all issues of law, equity, or fact, arising out of or in connection with this Agreement. Any action involving claims of a breach of this Agreement shall be brought in such courts. Each party consents to personal jurisdiction over such party in the aforementioned courts and hereby waives any defense of lack of personal jurisdiction. Venue, for the purpose of all such suits, shall be in Minneapolis, Minnesota.

c) Entire Agreement. This Agreement contains the entire agreement of the parties relating to the subject matter of this Agreement and supersedes all prior agreements and understandings with respect to the subject matter hereof. The parties have made no agreements, representations or warranties relating to the subject matter of this Agreement that are not set forth herein.

d) No Violation of Other Agreements. Executive hereby represents and affirms that neither Executive's entering into and undertaking of obligations under this Agreement nor Executive's employment with the Company violate any other agreement (oral, written or other) to which Executive is a party or by which Executive is bound.

e) Amendments. No amendment or modification of this Agreement shall be deemed effective unless made in writing and signed by the parties hereto.

f) No Waiver. No term or condition of this Agreement shall be deemed to have been waived, except by a statement in writing signed by the party against whom enforcement of the waiver is sought. Any written waiver shall not be deemed a continuing waiver unless specifically stated, shall operate only as to the specific term or condition waived and shall not constitute a waiver of such term or condition for the future or as to any act other than that specifically waived.

g) Assignment. This Agreement shall not be assignable, in whole or in party, by either party without the written consent of the other party, except that the Company may, without the consent of Executive, assign all, but not less than all, of its rights and obligations under this Agreement to any corporation or other business entity (i) with which the Company may merge or consolidate, (ii) to which the Company may sell

or transfer all or substantially all of its assets or capital stock, or (iii) of which 50% or more of the capital stock or the voting control is owned, directly or indirectly, by the Company. After any such assignment by the Company, the Company shall be discharged from all further liability hereunder and such assignee shall thereafter be deemed to be the "Company" for purposes of all terms and conditions of this Agreement, including this Section 12(g).

h) Counterparts. This Agreement may be executed in any number of counterparts and by facsimile, such counterparts executed and delivered, each as an original, shall constitute but one and the same instrument.

i) Severability. Subject to Section 6(g) hereof, to the extent that any portion of any provision of this Agreement shall be invalid or unenforceable, it shall be considered deleted herefrom and the remainder of such provision and of this Agreement shall be unaffected and shall continue in full force and effect.

j) Captions and Headings. The captions and paragraph headings used in this Agreement are for convenience or reference only and shall not affect the construction or interpretation of this Agreement or any of the provisions hereof.

k) Legal Expenses. The prevailing party shall be entitled to recover all legal fees and expenses which such party may reasonably incur as a result of any legal proceeding relating to the validity, enforceability, or breach of, or liability under, any provision of this Agreement or any guarantee of performance. Any recovery of legal fees and expenses due to the prevailing party pursuant to this Section 12(k) shall be paid by the non-prevailing party no later than thirty (30) days after a final determination of an award of legal fees and expenses to the prevailing party.

l) Notices. Any notice hereunder shall be in writing and shall be deemed to have been duly given if delivered by hand, sent by reliable next-day courier, or sent by registered or certified mail, return receipt requested, postage prepaid, to the party to receive such notice addressed as follows:

If to the Company:

Life Time Fitness, Inc.
2902 Corporate Place Chanhassen, MN 55317
Attention: Executive Vice President, Human Resources

If to Executive:

Thomas Bergmann
[***]

or addressed to such other address as may have been furnished to the sender by notice hereunder. Except as otherwise provided herein, all notices shall be deemed given on the date on which delivered if delivered by hand, or on the date sent if sent by overnight courier or certified mail, except that notice of change of address will be effective only upon receipt by the other party.

m) Tax Withholding. The Company may withhold from any amounts payable under this Agreement such federal, state and local income and employment taxes as the Company shall determine are required or authorized to be withheld pursuant to any applicable law or regulation. Except for any tax amounts withheld by the Company from any compensation that Executive may receive in connection with Executive's employment with the Company and any employer taxes required to be paid by the Company under applicable laws or regulations, Executive is solely responsible for payment of any and all taxes owed in connection with any compensation, benefits, reimbursement amounts or other payments Executive receives from the Company under this Agreement or otherwise in connection with Executive's employment with the Company. The Company does not guarantee any particular tax consequence or result with respect to any payment made by the Company. In no event should this Section 12(m) or any other provision of this Agreement be construed to require the Company to provide any gross-up for the tax consequences of any provisions of, or payments under, this Agreement, and the Company has no responsibility for tax or legal consequences to Executive resulting from the terms or operation of this Agreement.

n) Section 280G. In the event that it shall be determined that any right to receive payment or other benefit under this Agreement or any other agreement by and between Executive and the Company, to or for the benefit of Executive (the "Payments"), would, in whole or part when aggregated with any other right, payment or benefit to or for Executive under all other agreements or benefit plans of any other person or entity, be nondeductible by the Company (or other person making such payment or providing such benefit) as a result of Section 280G of the Code and/or would subject Executive to the excise tax imposed by Section 4999 of the Code (the "Excise Tax") then, subject to Executive's written agreement waiving his right to receive some or all of such payment or benefit (the "Waived Benefit") so that all remaining Payments shall not be deemed to be a parachute payment that would not be deductible under Section 280G of the Code (and accepting in substitution for the Waived Benefit the right to receive the Waived Benefit only if approved by the stockholders of the Company in a manner that complies with Section 280G(b)(5)(B) of the Code), the Company shall use commercially reasonable efforts to prepare and deliver to its stockholders the disclosure required by Section 280G(b)(5)(B) of the Code with respect to the Payments and to obtain the approval of the Company's stockholders in a manner that complies with Section 280G(b)(5)(B) of the Code.

o) Section 409A.

(i) The Company shall undertake to administer, interpret and construe this Agreement in a manner that does not result in the imposition on Executive of any additional tax, penalty or interest under Section 409A, and to comply with Section 409A to the extent applicable. Notwithstanding any provision

of this Agreement to the contrary, in the event that the Company determines in good faith that any provision of this Agreement would cause Executive to incur an additional tax, penalty or interest under Section 409A, the Company and Executive shall cooperate in good faith to (A) adopt such amendments to this Agreement and appropriate policies and procedures, including amendments and policies with retroactive effect, as the Company and Executive determine to be necessary or appropriate to preserve the intended tax treatment of the benefits provided by this Agreement, to preserve the economic benefits of this Agreement and to avoid less favorable accounting or tax consequences for the Company and/or (B) take such other actions as the Company and Executive determine to be necessary or appropriate to exempt the amounts payable hereunder from Section 409A or to comply with the requirements of Section 409A and thereby avoid the application of penalty taxes thereunder. No provision of this Agreement shall be interpreted or construed to transfer any liability for failure to comply with the requirements of Section 409A from Executive or any other individual to the Company or any of its affiliates, employees or agents.

(ii) Separation from Service under Section 409A. (A) To the extent any payment hereunder constitutes "nonqualified deferred compensation" within the meaning of Section 409A, any such payment to be made under this Agreement upon a termination of employment shall only be made if such termination of employment constitutes a "separation from service" within the meaning of Section 1.409A-1(h) of the Department of Treasury Regulations, (B) for purposes of Section 409A, Executive's right to receive installment payments pursuant to Section 5(a) shall be treated as a right to receive a series of separate and distinct payments; and (C) to the extent that any reimbursement of expenses or in-kind benefits constitutes "deferred compensation" within the meaning of Section 409A, such reimbursement or benefit shall be provided no later than December 31 of the year following the year in which the expense was incurred. The amount of expenses reimbursed in one year shall not affect the amount eligible for reimbursement in any subsequent year. The amount of any in- kind benefits provided in one year shall not affect the amount ofin-kind benefits provided in any other year. Notwithstanding any other provision of this Agreement, if at the time of Executive's separation from service, he is a "specified employee," determined in accordance with Section 409A, any payments and benefits provided under this Agreement that constitute "nonqualified deferred compensation" subject to Section 409A that are provided to Executive on account of his separation from service shall not be paid until the first payroll date to occur following the six-month anniversary of Executive's termination date ("Specified Employee Payment Date"). The aggregate amount of any payments that would otherwise have been made during such six-month period shall be paid in a lump sum on the Specified Employee Payment Date and, thereafter, any remaining payments shall be paid without delay in accordance with their original schedule. If Executive dies during the six-month period, any delayed payments shall be paid to Executive's estate in a lump sum upon Executive's death.

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IN WITNESS WHEREOF, Executive and the Company have executed this Agreement as of the date first set forth in the first paragraph.

Life Time Fitness, Inc.

By: /s/
Eric J. Buss
EVP/CFO

Executive

/s/
Thomas Bergman

Exhibit 10.25

EXECUTIVE EMPLOYMENT AGREEMENT

This EXECUTIVE EMPLOYMENT AGREEMENT (the "Agreement") is entered into on October , 2016 (the "Effective Date"), by and between Life Time Fitness, Inc. (together with any of its parents, subsidiaries or affiliates, the "Company"), and Eric Buss ("Executive").

The Company is a recognized leader in the health and fitness industry, including the design and operation of health and fitness centers, the creation, promotion and sale of nutritional products, the production of athletic events, the design and operation of wellness incentive programs, medical spas, spa/salons, and restaurants/cafés, and the publication of a healthy way of life magazine. The Company has enjoyed considerable growth and success in the industry because of its innovative, confidential and proprietary management and marketing methods and plans.

The Company desires to continue to employ Executive commencing as of October , 2016 (the "Start Date"), and Executive desires to continue employment with the Company, on the terms herein provided.

In consideration of the foregoing, and in order to accomplish all of the above objectives, the Company and Executive agree as follows:

1. Definitions.

a) "Board" shall mean the Board of Directors of LTF Holdings, Inc., the Company's parent.

b) "Cause" shall mean that Executive has:

(i) been convicted of, pleaded *nolo contendere* to, or been indicted for, (A) any serious or violent felony or (B) any crime involving dishonesty, fraud or unlawful behavior against or at the expense of the Company; or

(ii) engaged in gross negligence or willful misconduct in the performance of Executive's duties, where such acts adversely affect the business affairs of the Company in a material way provided that the foregoing shall not constitute Cause unless the Company first gives written notice to Executive within 90 days of the first occurrence of the condition, delineating the claimed breach and setting forth the Company's intention to terminate Executive's employment if such breach is not duly remedied within 30 business days, and the Executive fails to cure the condition within such 30-day period.

c) "Code" shall mean the Internal Revenue Code of 1986, as amended.

d) "Disability" shall mean the inability of Executive to perform on a full-time basis the duties and responsibilities of Executive's employment with the Company by reason of Executive's illness or other physical or mental impairment or condition, as determined by a physician mutually acceptable to Executive and the Company, if such inability continues for an uninterrupted period of 90 days or more during

any 365-day period. A period of inability shall be "uninterrupted" unless and until Executive returns to full-time work from the above-referenced leave for a continuous period of at least 180 days, excluding vacation days or sick days taken for reasons unrelated to the illness or other physical or mental impairment or condition necessitating the above-referenced leave.

e) "Good Reason" shall mean without Executive's express written consent, any of the following conditions shall occur, provided that none of the following conditions shall constitute Good Reason unless Executive first gives written notice to the Company within 90 days of the first occurrence of the condition, delineating the claimed breach and setting forth Executive's intention to terminate Executive's employment if such breach is not duly remedied within 30 business days, and the Company fails to cure the condition within such 30-day period:

(i) the Company has breached any material term(s) or material condition(s) of this Agreement, which breach was not caused by Executive;

(ii) the Company relocates its executive offices outside of a seventy-five (75) mile radius of its current location, and the relocation results in a material change to the geographic location at which Executive performs services;

(iii) the Company has reduced Executive's Total Target Compensation, except as permitted in Section 3(a); or

(iv) the Company has assigned duties and responsibilities to Executive that are materially inconsistent with Executive's position, duties and responsibilities as set forth in Section 2(b), such that there occurs a material reduction in Executive's duties, responsibilities or authority as set forth in Section 2(b).

f) "Notice of Termination" shall mean a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated, and (iii) if the Termination Date is other than the date of receipt of such notice, specifies the Termination Date (which date, in the event of termination by Executive without Good Reason, shall not be less than ninety days after the giving of such notice). The failure by Executive or the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason or Cause shall not waive any right of Executive or the Company, respectively, hereunder or preclude Executive or the Company, respectively, from asserting such fact or circumstance in enforcing Executive's or the Company's right hereunder.

g) "Restricted Period" shall mean the 18-month period following the Termination Date.

h) "Section 409A" shall mean Section 409A of the Code and the Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the Effective Date.

i) "Termination Date" shall mean (i) if Executive's employment is terminated by the Company for Cause, or by Executive for any reason, the date of receipt of the Notice of Termination or any later date specified therein, as the case may be, (ii) if Executive's employment is terminated by the Company other than for Cause or Disability, the date on which the Company notifies Executive of such termination, and (iii) if Executive's employment is terminated by reason of death or Disability, the date of death of Executive or the first date Disability is determined, as the case may be; provided that, upon termination by Executive without Good Reason, the Board may, in its discretion, designate any date on or prior to the date specified in the Notice of Termination as the Termination Date for all purposes. For purposes of Section 5(a) of this Agreement, with respect to the timing of payments thereunder, Termination Date shall mean the date of Executive's separation from service with the Company within the meaning of Section 409A(a)(2)(A)(i) of the Code.

2. Term of Employment; Position and Duties

a) The term of Executive's employment with the Company under this Agreement (the "Term") shall be for the period beginning on the Start Date and continuing until Executive's employment with the Company is terminated in accordance with the terms of this Agreement.

b) During the Term, Executive: (i) shall serve as the Company's Executive Vice President and Chief Compliance Officer, with responsibilities, duties and authority customary for such position, subject to direction by the Company's Chief Executive Officer or the Board; (ii) shall report directly to the Company's Chief Executive Officer; (iii) shall devote a majority of Executive's working time and efforts to the business and affairs of the Company and its affiliates (provided that Executive will be permitted to manage his personal, financial and legal affairs, participate in trade associations and be involved in charitable and professional activities (including serving on charitable and professional boards and one board or equivalent governing body of a for-profit entity), to the extent such activities do not interfere or adversely affect Executive's duties and responsibilities to the Company); and (iv) agrees to observe and comply with the Company's rules and policies as adopted by the Company from time to time. The parties acknowledge and agree that Executive's duties, responsibilities and authority may include services for one or more subsidiaries or affiliates of the Company.

c) Unless otherwise requested by the Board in writing, upon Executive's termination of employment with the Company for any reason Executive shall automatically resign as of the Termination Date from all titles, positions and appointments Executive then holds with the Company, whether as an officer, director or employee (without any claim for compensation related thereto), and Executive hereby agrees to take all actions necessary to effectuate such resignations.

3. Compensation

a) Base Salary. During the Term, Executive shall receive a base salary at a rate of at least $500,000 per annum (prorated for any partial year), subject to annual review, which shall be paid in accordance with the customary payroll practices of the Company (the "Base Salary"); provided, however, the Company may reduce Executive's Base Salary as part of a Company-wide reduction in base salaries, which is applicable to similarly situated employees, but any such reduction to Executive's Base Salary may not exceed ten percent (10%) of Executive's Base Salary at the time of such reduction.

b) Annual Bonus Plan. With respect to each Company fiscal year that ends during the Term, commencing with the fiscal year ending December 31, 2016, Executive shall be eligible to earn an annual bonus (the "Annual Bonus") under the Company's annual cash-based incentive plan for executive vice presidents as may be approved, amended or replaced from time to time by the Board (the "Annual Bonus Plan"), subject to the terms and conditions of the Annual Bonus Plan, including measuring the Company's and Executive's performance against metrics established by the Board and/or the Company's Chief Executive Officer. Executive shall be eligible to participate in the Annual Bonus Plan for fiscal years 2016, 2017 and 2018, and for any fiscal year after fiscal year 2018 during which other executive vice presidents of the Company are eligible to participate in the Annual Bonus Plan. The Annual Bonus with respect to each fiscal year shall be payable within 30 days following the Board's receipt of the Company's audited financial statements for such fiscal year. Notwithstanding any other provision of this Section 3(b), no Annual Bonus shall be payable with respect to any fiscal year unless Executive remains continuously employed with the Company through the end of the applicable fiscal year.

c) Target Bonus. With respect to each Company fiscal year that ends during the Term, commencing with the fiscal year ending December 31, 2016, the Company shall establish a target cash-based incentive payment for Executive under the Annual Bonus Plan for the applicable fiscal year ("Target Bonus"). Notwithstanding any language in any Annual Bonus Plan to the contrary, Executive's Target Bonus for each of fiscal years 2016, 2017 and 2018 will be no less than $150,000, and the Company will pay Executive an Annual Bonus for each of fiscal years 2016, 2017 and 2018 that is equal to or greater than the Target Bonus for each such fiscal year, subject to Executive being employed with the Company through the end of applicable fiscal year. Any Target Bonus above $150,000 (for each of fiscal years 2016, 2017 and 2018) and any Target Bonus for any fiscal year after fiscal year 2018 will be based upon the same performance targets that apply to other executive vice presidents of the Company, to the extent applicable to Executive, and/or metrics agreed upon by Executive and the Chief Executive Officer of the Company.

d) Total Target Compensation. With respect to each Company fiscal year that ends during the Term, commencing with the fiscal year ending December 31, 2016, Executive's "Total Target Compensation" means the sum of Executive's Base

Salary and Executive's Target Bonus in effect as of the applicable date; provided, however, that for purposes of Section 5(a) below, in the event Executive's employment is terminated by Executive for Good Reason pursuant to Section 1(e)(iii), "Total Target Compensation as of the Termination Date" shall mean Executive's Base Salary or Target Bonus in effect as of immediately prior to the reduction in Executive's Base Salary or Target Bonus that gave rise to Good Reason under Section 1(e)(iii).

e) Equity Awards. The Company granted a stock option award (the "Option") to Executive under the Company's LTF Holdings, Inc. 2015 Equity Incentive Plan (the "Plan"). The Option provides Executive with the opportunity to purchase 750,000 shares of the Company's common stock. The Option is subject to such additional terms and conditions as are specified in the Plan and in the applicable form of agreement granting the Option under the Plan. Additional equity grants will be based on performance and/or promotion at the discretion of the Board and/or the Company's Chief Executive Officer.

f) Vehicle Lease. While the Executive is employed by the Company, the Company will lease a BMW X5 or materially comparable automobile for the Executive, and the Company will pay for all ordinary insurance, use, repair and maintenance expenses with respect to such automobile. The Company shall gross up for tax purposes any deemed income arising pursuant to the payment or benefits provided under this Section 3(g), so that the economic benefit is the same to Executive as if such payment or benefits were provided on a non-taxable basis to Executive.

g) Benefits and Expenses.

(i) Executive shall be eligible to participate in the employee benefit plans of the Company, subject to and on a basis consistent with the terms, conditions, and overall administration of such plans and arrangements applicable to similarly situated employees, except as otherwise provided herein. Executive shall pay any contributions which are generally required of employees to receive any such benefits. The Company provides no assurance as to the adoption or continuance of any particular employee benefit plan or program, and Executive's participation in any such plan or program shall be subject to the provisions, rules and regulations applicable thereto.

(ii) Executive shall be entitled to all paid holidays and paid vacation and leave in accordance with the Company's policy.

(iii) Executive shall be reimbursed for reasonable business travel and entertainment expenses in connection with the performance of Executive's duties in accordance with the policies applicable to similarly situated employees, as amended from time to time.

4. Notice of Termination.

Any termination of Executive's employment by the Company for Cause, or by Executive for any reason, shall be communicated by Notice of Termination to the other party hereto.

5. Payments upon Termination of Employment.

a) If Executive's employment with the Company is terminated (i) by the Company for any reason other than for Cause, death or Disability or (ii) by Executive for Good Reason such that the Termination Date occurs within six months of the first occurrence of the condition giving rise to Good Reason, then the Company shall pay to Executive the following amounts, subject to the conditions of Section 5(d) below:

(i) Target Compensation Continuation. The Company will pay to Executive an amount equal to 50% of Executive's Total Target Compensation as of the Termination Date, but not to exceed a maximum amount of two times the lesser of: (x) the Code § 401(a)(17) compensation limit for the year in which the Termination Date occurs; or (y) the sum of Executive's annualized compensation based upon the annual rate of pay for services provided to the Company for the calendar year prior to the calendar year in which the Termination Date occurs (adjusted for any increase during that year that was expected to continue indefinitely) (the "Target Compensation Continuation Amount"). Such Target Compensation Continuation Amount shall be paid to Executive in equal installments in accordance with the Company's regular payroll schedule, commencing on the first regular payroll date of the Company that occurs following the Termination Date and continuing for six months; provided that to the extent that any portion of such payment is delayed pursuant to Section 5(d), such portion shall be paid in a lump sum on the first payroll date following the 60th day following the Termination Date. The Company and Executive intend the payments under this Section 5(a)(i) to constitute a "separation pay plan due to involuntary separation from service" pursuant to Treas. Reg. § 1.409A-1(b)(9)(iii).

(ii) Potential Make-Up Payment. In the event that the Target Compensation Continuation Amount is reduced under Section 5(a)(i) from 50% of Executive's Total Target Compensation as of the Termination Date by application of clause (x) or (y) thereof, then the Company shall make an additional lump sum payment to the Executive equal to the difference between (x) 50% of Executive's Total Target Compensation as of the Termination Date, and (y) the amount to be paid to the Executive under Section 5(a)(i) as a result of the application of clause (x) or (y) thereof.

Such payment will be paid to the Executive on the Company's first regular payroll date that is after the expiration of all rescission periods identified in the release of claims described in Section 5(d) but in no event later than 75 days after the Termination Date. The Company and Executive intend the payments under this Section 5(a)(ii) to be a "short-term deferral" under Treas. Reg. § 1.409A-1(b)(4).

(iii) Supplemental Target Compensation Continuation. The Company will pay to Executive an additional amount equal to 100% of Executive's Total Target Compensation as of the Termination Date (the "Supplemental Target Compensation Continuation Amount"). Such Supplemental Target Compensation Continuation Amount shall be paid to Executive in equal installments in accordance with the Company's regular payroll schedule, commencing on the first regular payroll date of the Company that occurs following completion of all payments under Section 5(a)(i) (and in any event commencing no earlier than the first day of the seventh month after the Termination Date) and continuing for 12 months. The Company and Executive intend the payments under this Section 5(a)(iii) to be deferred compensation payable either in accordance with the "short-term deferral" exception under Treas. Reg. § 1.409A-1(b)(4) or in compliance with the requirements of Section 409A of the Code.

(iv) Continuation of Benefits. If Executive is eligible for and takes all steps necessary to continue Executive's group health insurance coverage with the Company following the Termination Date (including completing and returning the forms necessary to elect COBRA coverage), the Company will pay for the portion of the premium costs for such coverage that the Company would pay if Executive remained employed by the Company, at the same level of coverage that was in effect as of the Termination Date, through the earliest of: (x) the eighteen (18) month anniversary of the Termination Date, (y) the date Executive becomes eligible for group health insurance coverage from any other employer, or (z) the date Executive is no longer eligible to continue Executive's group health insurance coverage with the Company under applicable law. The Company shall gross up for tax purposes any deemed income arising pursuant to the payment or benefits provided under this Section 5(a)(iv), so that the economic benefit is the same to Executive as if such payment or benefits were provided on a non-taxable basis to Executive.

b) Subject to Section 5(d), if Executive's employment with the Company is terminated by reason of:

(i) Executive's resignation for any reason other than Good Reason;

(ii) the Company's termination of Executive's employment for Cause; or

(iii) Executive's Disability or death.

then the Company shall pay to Executive or Executive's beneficiary or Executive's estate, as the case may be,Executive's Base Salary through the Termination Date and any Annual Bonus earned but unpaid for the prior fiscal year if not paid prior to the Termination Date, and Executive shall not be entitled to receive any pro-rated Annual Bonus for the fiscal year in which the Termination Date occurs.

c) In the event of termination of Executive's employment, the sole obligation of the Company shall be its obligation to make the payments called for by Section 5(a) or 5(b) hereof, as the case may be, and the Company shall have no other obligation to Executive or to Executive's beneficiary or Executive's estate, except as otherwise provided by law, under the terms of any subsequent written agreement between Executive and the Company, and under the terms of any employee benefit plans or programs then maintained by the Company in which Executive participates (other than any such plans or programs that provide for severance or similar benefits).

d) Notwithstanding the foregoing provisions of this Section 5, the Company shall not make any payments to Executive under Section 5(a) above unless and until, as of the 60th day following the Termination Date: (i) Executive has signed a separation agreement and general release to be prepared by the Board in its reasonable discretion substantially in the form attached hereto as Exhibit A; and (ii) all applicable rescission periods provided by law for releases of claims have expired and Executive has not rescinded such release of claims.

6. Covenants. In consideration of this Agreement, Executive agrees as follows:

a) Introduction. The parties acknowledge that the provisions and covenants contained in this Section 6 are material to this Agreement and that the limitations contained in this Agreement are reasonable in geographic and temporal scope and do not impose a greater restriction or restraint than is necessary to protect the goodwill and other legitimate business interests of the Company. The parties also acknowledge and agree that the provisions of this Section 6 do not adversely affect Executive's ability to earn a living in any capacity that does not violate the covenants contained herein.

b) Confidential Information. Except as permitted by the Board, during the term of Executive's employment with the Company and at all times thereafter, Executive shall not divulge, furnish or make accessible to anyone or use in any way other than in the ordinary course of the business of the Company, any confidential, proprietary or secret knowledge or information of the Company, whether developed by Executive or others, including but not limited to (i) trade secrets, (ii) confidential and proprietary plans, developments, research, processes, designs, methods or material (whether or not patented or patentable), (iii) customer and supplier lists, (iv) strategic or other business, marketing or sales plans, and (v) financial data and plans. Executive acknowledges that the above-described knowledge and information constitutes a unique and valuable asset of the Company and represents a substantial investment of time and expense by the Company, and that any disclosure or other use of such knowledge or information other than for the sole benefit of the Company would be wrongful and would cause irreparable harm to the Company. During the term of Executive's employment with the Company, Executive shall refrain from any intentional acts or omissions that would reduce the

value of such knowledge or information to the Company. The foregoing obligations of confidentiality shall not apply to any knowledge or information that (A) is now or subsequently becomes generally publicly known for reasons other than Executive's violation of this Agreement, (B) is independently made available to Executive in good faith by a third party who has not violated a confidential relationship with the Company, or (C) is required to be disclosed by legal process, other than as a direct or indirect result of the breach of this Agreement by Executive.

c) Notice Regarding Trade Secrets. Notwithstanding the foregoing, Executive shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made in confidence to a federal, state, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law. Executive shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. If Executive files a lawsuit for retaliation by the Company for reporting a suspected violation of law, the Executive may disclose the trade secret to the attorney of the employee and use the trade secret information in the court proceeding, if the employee files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order.

d) Ventures. If, during Executive's employment with the Company, Executive is engaged in or associated with the planning or implementing of any project, program or venture involving the Company, all rights in such project, program or venture shall belong to the Company. Except as approved in writing by the Board, Executive shall not be entitled to any interest in any such project, program or venture or to any commission, finder's fee or other compensation in connection therewith. Executive shall have no interest, direct or indirect, in any customer or supplier that conducts business with the Company, provided that a passive investment of less than 2.5% of the outstanding shares of capital stock of any customer or supplier listed on a national securities exchange or publicly traded in the over-the-counter market shall not constitute a breach of this sentence.

e) Agreement Not to Compete. During Executive's employment with the Company and the Restricted Period, regardless of the reason for such termination and regardless of whether the termination is initiated by the Company or Executive, Executive shall not, directly or indirectly, engage in any manner or capacity (including without limitation as a proprietor, principal, agent, partner, officer, director, employee, member of any association, consultant or otherwise) in any Company Business (as defined below) in the Territory (as defined below). For purposes of this Section 6, (i) "Company Business" means (A) the design, development, operation, management, promotion, marketing or sale of products and services including health and fitness clubs, health and fitness club memberships and services, nutritional supplements, wellness incentive programs, medical spas, spa/salons, and restaurants/cafes located in health clubs, (B) the publication of any health and fitness publications and/or (C) the sale, design or promotion of any other

product or service that grows into a material business for the Company (or any product or service under development which the Company has spent a material amount of time, money or other resources to develop and such product or service is projected to grow into a material business for the Company) as of the Termination Date, and (ii) "Territory" means the United States, Canada and any other country in which the Company is then doing Company Business as of the Termination Date. Ownership by Executive, as a passive investment, of less than 2.5% of the outstanding shares of capital stock of any corporation listed on a national securities exchange or publicly traded in the over-the-counter market shall not constitute a breach of this Section 6(d).

f) Agreement Not to Solicit or Hire Employees. During Executive's employment with the Company and the Restricted Period, regardless of the reason for such termination and regardless of whether the termination is initiated by the Company or Executive, Executive shall not, directly or indirectly, (i) solicit for the purpose of employing or otherwise engaging any person who is then an employee of the Company or who was an employee of the Company as of the Termination Date or at any time in the six-month period prior to solicitation, or (ii) hire or engage any person (A) who is (or, in the six-month period prior to hire, was) a director or officer of the Company, or (B) who was a key management employee over which Executive had any direct supervisory authority or with which Executive had directly interacted on a regular basis at any time during his employment with the Company, in each case, in any manner or capacity, including without limitation as a proprietor, principal, agent, partner, officer, director, stockholder, employee, member of any association, consultant or otherwise. This Section 6(e) shall not restrict Executive or any future employer of Executive, or any entity in which Executive may own, directly or indirectly, an equity interest in, from placing notices of general solicitation of employment by means of advertisements, public notices, search firm inquiries or internal or external websites or job search engines which do not specifically target the aforementioned individuals and hiring individuals responding to such general solicitations, provided that such general solicitation does not eliminate Executive's individual restrictions on soliciting, hiring or engaging persons as set forth above.

g) Agreement Not to Solicit Business Relations. During Executive's employment with the Company and the Restricted Period, regardless of the reason for such termination and regardless of whether the termination is initiated by the Company or Executive, Executive shall not, directly or indirectly, solicit, request, advise or induce any current or potential customer, supplier or other business contact of the Company to cancel, curtail or otherwise change its relationship with the Company, in any manner or capacity, including without limitation as a proprietor, principal, agent, partner, officer, director, stockholder, employee, member of any association, consultant or otherwise.

h) Blue Pencil Doctrine. If the duration of, the scope of or any business activity covered by any provision of this Section 6 is in excess of what is valid and enforceable under applicable law, such provision shall be construed to cover only

that duration, scope or activity that is valid and enforceable. Executive hereby acknowledges that this Section 6 shall be given the construction that renders its provisions valid and enforceable to the maximum extent, not exceeding its express terms, possible under applicable law.

i) Company Breach. Notwithstanding anything to the contrary in this Section 6, if (i) Executive is entitled to any payments pursuant to Section 5(a) and (ii) the Company fails in any material respect to make such payments in accordance with Section 5(a) and does not cure such failure within 30 days following the receipt of written notice of such failure from Executive, then the restrictive covenants in Sections 6(d), (e) and (f) shall cease to apply following the expiration of such 30-day period unless and until the Company cures such failure thereafter.

7. Intellectual Property and Related Matters.

a) Protectable Material. All right, title and interest in all discoveries, inventions, improvements, innovations and other material that Executive shall conceive or originate individually or jointly or commonly with others during the term of Executive's employment with the Company (i) that are directly related to the business of the Company or to the Company's actual or demonstrably anticipated research or development, or that results from any work performed by Executive for the Company, (ii) for which any equipment, supplies, facility or trade secret information of the Company was used and/or (iii) which was not developed entirely on Executive's own time, whether or not patentable, copyrightable, or registrable as a trademark ("Protectable Material"), shall be the property of the Company and are hereby assigned by Executive to the Company (and Executive agrees to assign all Protectable Material to the Company in the future), along with ownership of any and all patents, copyrights, trademarks and other intellectual property rights in the Protectable Material. Upon request and without further compensation therefor, but at no expense to Executive, Executive shall execute any and all papers and perform all other acts necessary to assist the Company to obtain and register patents, copyrights, trademarks and other intellectual property rights on the Protectable Materials in any and all countries. Where applicable, works of authorship created by Executive for the Company in performing Executive's duties and responsibilities hereunder shall be considered "works made for hire," as defined in the U.S. Copyright Act. Notwithstanding any other language in this Section 7(a) to the contrary, in accordance with Minnesota Statute Section 181.78 this Section 7(a) does not require Executive to assign or offer to assign to the Company any invention for which no equipment, supplies, facility or trade secret information of the Company was used and which was developed entirely on Executive's own time, and (A) which does not relate (y) directly to the business of the Company or (z) to the Company's actual or demonstrably anticipated research or development, or (B) which does not result from any work performed by Executive for the Company.

b) Trade Secrets. All trade secret information conceived or originated by Executive that arises during the term of Executive's employment with the Company and out of the performance of Executive's duties and responsibilities hereunder or any related material or information shall be the property of the Company, and all rights therein are hereby assigned by Executive to the Company.

c) Inventions/Non-Protectable Material. During the Term, Executive shall be obligated to inform the Company of any discoveries, inventions, improvements, innovations and other material that Executive shall conceive or originate individually or jointly or commonly with others, whether or not patentable, copyrightable, or registrable as a trademark, that he reasonably believes do not constitute Protectable Material (any such material that is not Protectable Material, "Non-Protectable Material") and, to the extent such material constitutes Non-Protectable Material, the Company shall have no rights, title or interests in such material (unless otherwise agreed with Executive).

8. **Return of Records and Property**. On or within thirty days of the Termination Date, Executive shall promptly deliver to the Company any and all Company records and any and all Company property in Executive's possession or under Executive's control, and all copies thereof, including without limitation manuals, books, blank forms, documents, letters, memoranda, notes, notebooks, reports, printouts, computer disks, computer tapes, source codes, data, tables or calculations, keys, access cards, access codes, passwords, credit cards, personal computers, telephones and other electronic equipment belonging to the Company.

9. **Remedies**. Executive acknowledges that the provisions of Sections 6 through 8 and Section 11 are reasonable and necessary to protect the legitimate interests of the Company, and that any violation of those provisions by Executive would cause substantial and irreparable harm to the Company to such an extent that monetary damages alone would be an inadequate remedy therefore. Therefore, in the event of any actual or threatened breach of any such provisions, the Company shall, in addition to any other remedies it may have, be entitled to injunctive and other equitable relief to enforce such provisions and to restrain Executive from violating or continuing to violate such provisions, and such relief may be granted without the necessity of proving actual monetary damages or posting bond. The preceding sentence shall not be construed to prevent Executive from disputing the factual basis of any remedies or defenses asserted by the Company. Executive agrees that the Restricted Period shall be tolled, and shall not run, during any period of time in which he is in violation of the terms of Sections 6(d), (e) or (f), in order that the Company and its affiliates shall have all of the agreed-upon temporal protection recited herein. Subject to Section 6(h), no breach of any provision of this Agreement by the Company, or any other claimed breach of contract or violation of law, or change in the nature or scope of Executive's employment relationship with the Company, shall operate to extinguish Executive's obligation to comply with Sections 6 through 8 and Section 11 hereof. Each of the Company's affiliates shall have the right to enforce all of Executive's obligations to that affiliate under this Agreement, including without limitation pursuant to Sections 6 through 8 and Section 11 hereof.

10. **Indemnification**. The Company agrees to defend and indemnify Executive to the fullest extent permitted by applicable law and the Company's governing documents and Executive shall be entitled to the protection of any insurance policies the Company maintains generally for the benefit of its directors and officers.

11. **Non-Disparagement**. Executive will not malign, defame or disparage the reputation, character, image, products or services of the Company or any of its affiliates, or the reputation or character of the Company's or any of its affiliates' directors, officers, employees, shareholders or agents, provided that nothing in this Section 11 shall be construed to limit or restrict Executive from taking any action that Executive in good faith reasonably believes is necessary to fulfill Executive's fiduciary obligations to the Company, or from providing truthful information in connection with any legal proceeding, government investigation or other legal matter. The Company shall instruct its current executive officers and directors not to malign, defame or disparage the reputation or image of Executive, provided that nothing in this Section 11 shall be construed to limit or restrict such officers and directors from taking any action that they in good faith reasonably believe is necessary to fulfill their fiduciary obligations to the Company, or from providing truthful information in connection with any legal proceeding, government investigation or other legal matter.

12. **Miscellaneous.**

a) Governing Law. All matters relating to the interpretation, construction, application, validity and enforcement of this Agreement shall be governed by the laws of the State of Minnesota without giving effect to any choice or conflict of law provision or rule, whether of the State of Minnesota or any other jurisdiction, that would cause the application of laws of any jurisdiction other than the State of Minnesota.

b) Jurisdiction and Venue. Executive and the Company consent to jurisdiction of the courts of the State of Minnesota and/or the United States District Court, District of Minnesota, for the purpose of resolving all issues of law, equity, or fact, arising out of or in connection with this Agreement. Any action involving claims of a breach of this Agreement shall be brought in such courts. Each party consents to personal jurisdiction over such party in the aforementioned courts and hereby waives any defense of lack of personal jurisdiction. Venue, for the purpose of all such suits, shall be in Minneapolis, Minnesota.

c) Entire Agreement. This Agreement contains the entire agreement of the parties relating to the subject matter of this Agreement and supersedes all prior agreements and understandings with respect to the subject matter hereof. The parties have made no agreements, representations or warranties relating to the subject matter of this Agreement that are not set forth herein.

d) No Violation of Other Agreements. Executive hereby represents and affirms that neither Executive's entering into and undertaking of obligations under this Agreement nor Executive's employment with the Company violate any other agreement (oral, written or other) to which Executive is a party or by which Executive is bound.

e) Amendments. No amendment or modification of this Agreement shall be deemed effective unless made in writing and signed by the parties hereto.

f) No Waiver. No term or condition of this Agreement shall be deemed to have been waived, except by a statement in writing signed by the party against whom enforcement of the waiver is sought. Any written waiver shall not be deemed a continuing waiver unless specifically stated, shall operate only as to the specific term or condition waived and shall not constitute a waiver of such term or condition for the future or as to any act other than that specifically waived.

g) Assignment. This Agreement shall not be assignable, in whole or in party, by either party without the written consent of the other party, except that the Company may, without the consent of Executive, assign all, but not less than all, of its rights and obligations under this Agreement to any corporation or other business entity (i) with which the Company may merge or consolidate, (ii) to which the Company may sell or transfer all or substantially all of its assets or capital stock, or (iii) of which 50% or more of the capital stock or the voting control is owned, directly or indirectly, by the Company. After any such assignment by the Company, the Company shall be discharged from all further liability hereunder and such assignee shall thereafter be deemed to be the "Company" for purposes of all terms and conditions of this Agreement, including this Section 12(g).

h) Counterparts. This Agreement may be executed in any number of counterparts and by facsimile, such counterparts executed and delivered, each as an original, shall constitute but one and the same instrument.

i) Severability. Subject to Section 6(g) hereof, to the extent that any portion of any provision of this Agreement shall be invalid or unenforceable, it shall be considered deleted herefrom and the remainder of such provision and of this Agreement shall be unaffected and shall continue in full force and effect.

j) Captions and Headings. The captions and paragraph headings used in this Agreement are for convenience or reference only and shall not affect the construction or interpretation of this Agreement or any of the provisions hereof.

k) Legal Expenses. The prevailing party shall be entitled to recover all legal fees and expenses which such party may reasonably incur as a result of any legal proceeding relating to the validity, enforceability, or breach of, or liability under, any provision of this Agreement or any guarantee of performance. Any recovery of legal fees and expenses due to the prevailing party pursuant to this Section I 2(k) shall be paid by the non-prevailing party no later than thirty (30) days after a final determination of an award of legal fees and expenses to the prevailing party.

l) Notices. Any notice hereunder shall be in writing and shall be deemed to have been duly given if delivered by hand, sent by reliable next-day courier, or sent by registered or certified mail, return receipt requested, postage prepaid, to the party to receive such notice addressed as follows:

If to the Company:

Life Time Fitness, Inc.
2902 Corporate Place
Chanhassen, MN 55317
Attention: Executive Vice President, Human Resources

If to Executive:

Eric Buss
[***]

or addressed to such other address as may have been furnished to the sender by notice hereunder. Except as otherwise provided herein, all notices shall be deemed given on the date on which delivered if delivered by hand, or on the date sent if sent by overnight courier or certified mail, except that notice of change of address will be effective only upon receipt by the other party.

m) Tax Withholding. The Company may withhold from any amounts payable under this Agreement such federal, state and local income and employment taxes as the Company shall determine are required or authorized to be withheld pursuant to any applicable law or regulation. Except for any tax amounts withheld by the Company from any compensation that Executive may receive in connection with Executive's employment with the Company and any employer taxes required to be paid by the Company under applicable laws or regulations, Executive is solely responsible for payment of any and all taxes owed in connection with any compensation, benefits, reimbursement amounts or other payments Executive receives from the Company under this Agreement or otherwise in connection with Executive's employment with the Company. The Company does not guarantee any particular tax consequence or result with respect to any payment made by the Company. In no event should this Section 12(m) or any other provision of this Agreement be construed to require the Company to provide any gross-up for the tax consequences of any provisions of, or payments under, this Agreement, and the Company has no responsibility for tax or legal consequences to Executive resulting from the terms or operation of this Agreement.

n) Section 280G. In the event that it shall be determined that any right to receive payment or other benefit under this Agreement or any other agreement by and between Executive and the Company, to or for the benefit of Executive (the "Payments"), would, in whole or part when aggregated with any other right, payment or benefit to or for Executive under all other agreements or benefit plans of any other person or entity, be nondeductible by the Company (or other person making such payment or providing such benefit) as a result of Section 280G of the Code and/or would subject Executive to the excise tax imposed by Section 4999 of the Code (the "Excise Tax") then, subject to Executive's written agreement waiving his right to receive some or all of such payment or benefit (the "Waived Benefit") so that all remaining Payments shall not be deemed to be a parachute payment that

would not be deductible under Section 280G of the Code (and accepting in substitution for the Waived Benefit the right to receive the Waived Benefit only if approved by the stockholders of the Company in a manner that complies with Section 280G(b)(5)(B) of the Code), the Company shall use commercially reasonable efforts to prepare and deliver to its stockholders the disclosure required by Section 280G(b)(5)(B) of the Code with respect to the Payments and to obtain the approval of the Company's stockholders in a manner that complies with Section 280G(b)(5)(B) of the Code.

o) Section 409A.

(i) The Company shall undertake to administer, interpret and construe this Agreement in a manner that does not result in the imposition on Executive of any additional tax, penalty or interest under Section 409A, and to comply with Section 409A to the extent applicable. Notwithstanding any provision of this Agreement to the contrary, in the event that the Company determines in good faith that any provision of this Agreement would cause Executive to incur an additional tax, penalty or interest under Section 409A, the Company and Executive shall cooperate in good faith to (A) adopt such amendments to this Agreement and appropriate policies and procedures, including amendments and policies with retroactive effect, as the Company and Executive determine to be necessary or appropriate to preserve the intended tax treatment of the benefits provided by this Agreement, to preserve the economic benefits of this Agreement and to avoid less favorable accounting or tax consequences for the Company and/or (B) take such other actions as the Company and Executive determine to be necessary or appropriate to exempt the amounts payable hereunder from Section 409A or to comply with the requirements of Section 409A and thereby avoid the application of penalty taxes thereunder. No provision of this Agreement shall be interpreted or construed to transfer any liability for failure to comply with the requirements of Section 409A from Executive or any other individual to the Company or any of its affiliates, employees or agents.

(ii) Separation from Service under Section 409A. (A) To the extent any payment hereunder constitutes "nonqualified deferred compensation" within the meaning of Section 409A, any such payment to be made under this Agreement upon a termination of employment shall only be made if such termination of employment constitutes a "separation from service" within the meaning of Section 1.409A-1(h) of the Department of Treasury Regulations, (B) for purposes of Section 409A, Executive's right to receive installment payments pursuant to Section 5(a) shall be treated as a right to receive a series of separate and distinct payments; and (C) to the extent that any reimbursement of expenses or in-kind benefits constitutes "deferred compensation" within the meaning of Section 409A, such reimbursement or benefit shall be provided no later than December 31 of the year following the year in which the expense was incurred. The amount of expenses reimbursed in one year shall not affect the amount eligible for

reimbursement in any subsequent year. The amount of any in- kind benefits provided in one year shall not affect the amount of in-kind benefits provided in any other year. Notwithstanding any other provision of this Agreement, if at the time of Executive's separation from service, he is a "specified employee," determined in accordance with Section 409A, any payments and benefits provided under this Agreement that constitute "nonqualified deferred compensation" subject to Section 409A that are provided to Executive on account of his separation from service shall not be paid until the first payroll date to occur following the six-month anniversary of Executive's termination date ("Specified Employee Payment Date"). The aggregate amount of any payments that would otherwise have been made during such six-month period shall be paid in a lump sum on the Specified Employee Payment Date and, thereafter, any remaining payments shall be paid without delay in accordance with their original schedule. If Executive dies during the six-month period, any delayed payments shall be paid to Executive's estate in a lump sum upon Executive's death.

IN WITNESS WHEREOF, Executive and the Company have executed this Agreement as of the date first set forth in the first paragraph.

Life Time Fitness, Inc.

By:_____

Its:_____

Executive

/s/ Eric J. Buss

Eric J. Buss

Exhibit 10.26

EXECUTIVE EMPLOYMENT AGREEMENT

This EXECUTIVE EMPLOYMENT AGREEMENT (the "Agreement") is entered into on March , 2017 (the "Effective Date"), by and between Life Time Fitness, Inc. (together with any of its parents, subsidiaries or affiliates, the "Company"), and Jeff Zwiefel ("Executive").

The Company is a recognized leader in the health and fitness industry, including the design and operation of health and fitness centers, the creation, promotion and sale of nutritional products, the production of athletic events, the design and operation of wellness incentive programs, medical spas, spa/salons, and restaurants/cafés, and the publication of a healthy way of life magazine. The Company has enjoyed considerable growth and success in the industry because of its innovative, confidential and proprietary management and marketing methods and plans.

The Company desires to continue to employ Executive commencing as of March , 2017 (the "Start Date"), and Executive desires to continue employment with the Company, on the terms herein provided.

In consideration of the foregoing, and in order to accomplish all of the above objectives, the Company and Executive agree as follows:

1. **Definitions**.

a) "Board" shall mean the Board of Directors of LTF Holdings, Inc., the Company's parent.

b) "Cause" shall mean that Executive has:

(i) been convicted of, pleaded *nolo contendere* to, or been indicted for, (A) any serious or violent felony or (B) any crime involving dishonesty, fraud or unlawful behavior against or at the expense of the Company; or

(ii) engaged in gross negligence or willful misconduct in the performance of Executive's duties, where such acts adversely affect the business affairs of the Company in a material way provided that the foregoing shall not constitute Cause unless the Company first gives written notice to Executive within 60 days of the first occurrence of the condition, delineating the claimed breach and setting forth the Company's intention to terminate Executive's employment if such breach is not duly remedied within 30 business days, and Executive fails to cure the condition within such 30-day period.

c) "Code" shall mean the Internal Revenue Code of 1986, as amended.

d) "Disability" shall mean the inability of Executive to perform on a full-time basis the duties and responsibilities of Executive's employment with the Company by reason of Executive's illness or other physical or mental impairment or condition, as determined by a physician mutually acceptable to Executive and the Company, if such inability continues for an uninterrupted period of 90 days or more during

any 365-day period. A period of inability shall be "uninterrupted" unless and until Executive returns to full-time work from the above-referenced leave for a continuous period of at least 180 days, excluding vacation days or sick days taken for reasons unrelated to the illness or other physical or mental impairment or condition necessitating the above-referenced leave.

e) "Good Reason" shall mean without Executive's express written consent, any of the following conditions shall occur, provided that none of the following conditions shall constitute Good Reason unless Executive first gives written notice to the Company within 60 days of the first occurrence of the condition, delineating the claimed breach and setting forth Executive's intention to terminate Executive's employment if such breach is not duly remedied within 30 business days, and the Company fails to cure the condition within such 30-day period:

(i) the Company has breached any material term(s) or material condition(s) of this Agreement, which breach was not caused by Executive;

(ii) the Company relocates its executive offices outside of a seventy-five (75) mile radius of its current location, and the relocation results in a material change to the geographic location at which Executive performs services;

(iii) the Company has reduced Executive's Total Target Compensation, except as permitted in Section 3(a); or

(iv) the Company has assigned duties and responsibilities to Executive that are materially inconsistent with Executive's position, duties and responsibilities as set forth in Section 2(b), such that there occurs a material reduction in Executive's duties, responsibilities or authority as set forth in Section 2(b).

f) "Notice of Termination" shall mean a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated, and (iii) if the Termination Date is other than the date of receipt of such notice, specifies the Termination Date (which date, in the event of termination by Executive without Good Reason or the Company without Cause, shall not be less than 60 days after the giving of such notice). The failure by Executive or the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason or Cause shall not waive any right of Executive or the Company, respectively, hereunder or preclude Executive or the Company, respectively, from asserting such fact or circumstance in enforcing Executive's or the Company's right hereunder.

g) "Restricted Period" shall mean the 18-month period following the Termination Date.

h) "Section 409A" shall mean Section 409A of the Code and the Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the Effective Date.

i) "Termination Date" shall mean (i) if Executive's employment is terminated by the Company for any reason other than death, or by Executive for any reason, the date of receipt of the Notice of Termination or any later date specified therein, as the case may be, and (ii), if Executive's employment is terminated by reason of death, the date of death of Executive; provided that, upon termination by Executive without Good Reason or due to Disability, the Board may, in its discretion, designate any date on or prior to the date specified in the Notice of Termination as the Termination Date for all purposes. For purposes of Section 5(a) of this Agreement, with respect to the timing of payments thereunder subject to Section 409A, Termination Date shall mean the date of Executive's separation from service with the Company within the meaning of Section 409A(a)(2)(A)(i) of the Code.

2. **Term of Employment; Position and Duties**.

a) The term of Executive's employment with the Company under this Agreement (the "Term") shall be for the period beginning on the Start Date and continuing until Executive's employment with the Company is terminated in accordance with the terms of this Agreement.

b) During the Term, Executive: (i) shall serve as the Company's Executive Vice President and Chief Operating Officer, with responsibilities, duties and authority customary for such position, subject to direction by the Company's Chief Executive Officer or the Board; (ii) shall report directly to the Company's Chief Executive Officer; (iii) shall devote a majority of Executive's working time and efforts to the business and affairs of the Company and its affiliates (provided that Executive will be permitted to manage his personal, financial and legal affairs, participate in trade associations and be involved in charitable and professional activities (including serving on charitable and professional boards and one board or equivalent governing body of a for-profit entity), to the extent such activities do not interfere with and adversely affect Executive's duties and responsibilities to the Company); and (iv) agrees to observe and comply with the Company's rules and policies as adopted by the Company from time to time. The parties acknowledge and agree that Executive's duties, responsibilities and authority may include services for one or more subsidiaries or affiliates of the Company.

c) Unless otherwise requested by the Board in writing, upon Executive's termination of employment with the Company for any reason Executive shall automatically resign as of the Termination Date from all titles, positions and appointments Executive then holds with the Company, whether as an officer, director or employee, and Executive hereby agrees to take all actions necessary to effectuate such resignations.

3. **Compensation**.

a) Base Salary. During the Term, Executive shall receive a base salary at a rate of at least $600,000.00 per annum (prorated for any partial year), subject to annual review, which shall be paid in accordance with the customary payroll practices of the Company (the "Base Salary"); provided, however, the Company may reduce Executive's Base Salary as part of a Company-wide reduction in base salaries, which is applicable to similarly situated employees, but any such reduction to Executive's Base Salary may not exceed ten percent (10%) of Executive's Base Salary at the time of such reduction.

b) Annual Bonus Plan. With respect to each Company fiscal year that ends during the Term, commencing with the fiscal year ending December 31, 2017, Executive shall be eligible to earn an annual bonus (the "Annual Bonus") under the Company's annual cash-based incentive plan for executive vice presidents as may be approved, amended or replaced from time to time by the Board (the "Annual Bonus Plan"), subject to the terms and conditions of the Annual Bonus Plan, including measuring the Company's and Executive's performance against metrics established by the Board and/or the Company's Chief Executive Officer. The Annual Bonus with respect to each fiscal year shall be payable within 30 days following the Board's receipt of the Company's audited financial statements for such fiscal year (but in any event prior to December 31 of the calendar year commencing after the end of such fiscal year). In the event Executive's employment with the Company is terminated prior to the end of any fiscal year by reason of Executive's death or Disability, the Company shall pay Executive a pro-rated Annual Bonus based on Executive's period of service during said fiscal year. Thepro-rated Annual Bonus shall be payable to Executive within 30 days following the Board's receipt of the Company's audited financial statements for such fiscal year (but in any such event prior to December 31 of the calendar year commencing after the end of such physical year. In the event Executive's employment terminates for any reason other than death or Disability, Executive shall not be entitled to any pro-rated Annual Bonus.

c) Bonus Target. With respect to each Company fiscal year that ends during the Term, commencing with the fiscal year ending December 31, 2017, the Company shall establish a target cash-based incentive payment for Executive under the Annual Bonus Plan for the applicable fiscal year ("Bonus Target"). Executive's Bonus Target shall be no less than $200,000.00. The ultimate bonus earned by Executive shall be determined and calculated in a manner generally consistent with how the other executive vice presidents of the Company earn their annual target bonuses.

d) Total Target Compensation. With respect to each Company fiscal year that ends during the Term, commencing with the fiscal year ending December 31, 2017, Executive's "Total Target Compensation" means the sum of Executive's Base Salary and Executive's Bonus Target in effect as of the applicable date; provided, however, that for purposes of Section 5(a) below, in the event Executive's employment is terminated by Executive for Good Reason pursuant to

Section 1(e)(iii), "Total Target Compensation as of the Termination Date" shall mean Executive's Base Salary or Bonus Target in effect as of immediately prior to the reduction in Executive's Base Salary or Bonus Target that gave rise to Good Reason under Section 1(e)(iii).

e) Vehicle Lease. While Executive is employed by the Company, the Company will lease a BMW X5 or materially comparable automobile for Executive, and the Company will pay for all ordinary insurance, use, repair and maintenance expenses with respect to such automobile. The Company shall gross up for tax purposes any deemed income arising pursuant to the payment or benefits provided under this Section 3(f), so that the economic benefit is the same to Executive as if such payment or benefits were provided on a non-taxable basis to Executive.

f) Benefits and Expenses.

(i) Executive shall be eligible to participate in the employee benefit plans of the Company, subject to and on a basis consistent with the terms, conditions, and overall administration of such plans and arrangements applicable to similarly situated employees, except as otherwise provided herein. Executive shall pay any contributions which are generally required of employees to receive any such benefits. The Company provides no assurance as to the adoption or continuance of any particular employee benefit plan or program, and Executive's participation in any such plan or program shall be subject to the provisions, rules and regulations applicable thereto.

(ii) Executive shall be entitled to all paid holidays and paid vacation and leave in accordance with the Company's policy.

(iii) Executive shall be reimbursed for reasonable business travel and entertainment expenses in connection with the performance of Executive's duties in accordance with the policies applicable to similarly situated employees, as amended from time to time.

4. **Notice of Termination**.

Any termination of Executive's employment by the Company, or by Executive for any reason, shall be communicated by Notice of Termination to the other party hereto.

5. **Payments upon Termination of Employment**.

a) If Executive's employment with the Company is terminated (i) by the Company for any reason other than for Cause, death or Disability or (ii) by Executive for Good Reason such that the Termination Date occurs within six months of the first occurrence of the condition giving rise to Good Reason, then the Company shall pay to Executive his Base Salary through the Termination Date. In addition, the Company shall also pay to the Executive the following amounts, subject to the conditions of Section 5(d) below:

(i) Target Compensation Continuation. The Company will pay to Executive an amount equal to 50% of Executive's Total Target Compensation as of the Termination Date, but not to exceed a maximum amount of two times the lesser of: (x) the Code§ 401(a)(17) compensation limit for the year in which the Termination Date occurs; or (y) the sum of Executive's annualized compensation based upon the annual rate of pay for services provided to the Company for the calendar year prior to the calendar year in which the Termination Date occurs (adjusted for any increase during that year that was expected to continue indefinitely) (the "Target Compensation Continuation Amount"). Such Target Compensation Continuation Amount shall be paid to Executive in equal installments in accordance with the Company's regular payroll schedule, commencing on the first regular payroll date of the Company that occurs following the Termination Date and continuing for six months; provided that to the extent that any portion of such payment is delayed pursuant to Section 5(d), such portion shall be paid in a lump sum on the first payroll date following the 60th day following the Termination Date. The Company and Executive intend the payments under this Section 5(a)(i) to constitute a "separation pay plan due to involuntary separation from service" pursuant to Treas. Reg. § 1.409A-1(b)(9)(iii).

(ii) Potential Make-Up Payment. In the event that the Target Compensation Continuation Amount is reduced under Section 5(a)(i) from 50% of Executive's Total Target Compensation as of the Termination Date by application of clause (x) or (y) thereof, then the Company shall make an additional lump sum payment to Executive equal to the difference between (x) 50% of Executive's Total Target Compensation as of the Termination Date, and (y) the amount to be paid to Executive under Section 5(a)(i) as a result of the application of clause (x) or (y) thereof. Such payment will be paid to Executive on the Company's first regular payroll date that is after the expiration of all rescission periods identified in the release of claims described in Section 5(d) but in no event later than 75 days after the Termination Date. The Company and Executive intend the payments under this Section 5(a)(ii) to be a "short-term deferral" under Treas. Reg. § 1.409A-1(b)(4).

(iii) Supplemental Target Compensation Continuation. The Company will pay to Executive an additional amount equal to 100% of Executive's Total Target Compensation as of the Termination Date (the "Supplemental Target Compensation Continuation Amount"). Such Supplemental Target Compensation Continuation Amount shall be paid to Executive in equal installments in accordance with the Company's regular payroll schedule, commencing on the first regular payroll date of the Company that occurs following completion of all payments under Section 5(a)(i) (and in any event commencing no earlier than the first day of the seventh month after the Termination Date) and continuing for 12 months. The Company and Executive intend the payments under this Section 5(a)(iii) to be deferred compensation payable either in accordance with the "short-term deferral" exception under Treas. Reg. § 1.409A-1(b)(4) or in compliance with the requirements of Section 409A of the Code.

(iv) Continuation of Benefits. If Executive is eligible for and takes all steps necessary to continue Executive's group health insurance coverage with the Company following the Termination Date (including completing and returning the forms necessary to elect COBRA coverage), the Company will pay for the portion of the premium costs for such coverage that the Company would pay if Executive remained employed by the Company, at the same level of coverage that was in effect as of the Termination Date, through the earliest of: (x) the eighteen (18) month anniversary of the Termination Date, (y) the date Executive becomes eligible for group health insurance coverage from any other employer, or (z) the date Executive is no longer eligible to continue Executive's group health insurance coverage with the Company under applicable law. The Company shall gross up for tax purposes any deemed income arising pursuant to the payment or benefits provided under this Section 5(a)(iv), so that the economic benefit is the same to Executive as if such payment or benefits were provided on a non-taxable basis to Executive.

b) If Executive's employment with the Company is terminated by reason of:

(i) Executive's resignation for any reason other than Good Reason;

(ii) the Company's termination of Executive's employment for Cause; or

(iii) Executive's Disability or death.

then the Company shall pay to Executive or Executive's beneficiary or Executive's estate, as the case may be, Executive's Base Salary through the Termination Date and any Annual Bonus earned but unpaid for the prior fiscal year if not paid prior to the Termination Date. In the event Executive's employment with the Company is terminated prior to the end of any fiscal year by reason of Executive's death or disability, the Company shall additionally pay Executive, or Executive's estate, a pro-rated Annual Bonus based on Executive's period of service during said fiscal year in accordance with Section 3(b) above. In the event Executive's employment terminates for any reason other than death or Disability, Executive shall not be entitled to any pro-rated Annual Bonus as set forth herein and in Section 3(b) above.

c) In the event of termination of Executive's employment, the Company shall make the payments called for bySection 5(a)(i)-(iv), subject to Executive satisfying the requirements of Section 5(d) below, or 5(b) hereof, as applicable. The Company shall have no other obligation to Executive or to Executive's beneficiary or Executive's estate, except as otherwise provided by law, under the terms of any subsequent written agreement between Executive and the Company, pursuant to the June 8, 2016 Non-Qualified Stock Option Agreement between LTF Holdings, Inc. and Executive (the "Option Agreement"), and under the terms of any employee

benefit plans or programs then maintained by the Company in which Executive participates (other than any such plans or programs that provide for severance or similar benefits).

d) Notwithstanding the foregoing provisions of this Section 5, the Company shall not make any payments to Executive under Section 5(a) above unless and until, as of the 60th day following the Termination Date: (i) Executive has signed a separation agreement and general release to be prepared by the Company in its reasonable discretion substantially in the form attached hereto as Exhibit A; and (ii) all applicable rescission periods provided by law for releases of claims have expired and Executive has not rescinded such release of claims.

6. **Covenants**. In consideration of this Agreement, Executive agrees as follows:

a) Introduction. The parties acknowledge that the provisions and covenants contained in this Section 6 are material to this Agreement and that the limitations contained in this Agreement are reasonable in geographic and temporal scope and do not impose a greater restriction or restraint than is necessary to protect the goodwill and other legitimate business interests of the Company. The parties also acknowledge and agree that the provisions of this Section 6 do not adversely affect Executive's ability to earn a living in any capacity that does not violate the covenants contained herein.

b) Confidential Information. Except as permitted by the Board, during the term of Executive's employment with the Company and at all times thereafter, Executive shall not divulge, furnish or make accessible to anyone or use in any way other than in the ordinary course of the business of the Company, any confidential, proprietary or secret knowledge or information of the Company, whether developed by Executive or others, including but not limited to (i) trade secrets, (ii) confidential and proprietary plans, developments, research, processes, designs, methods or material (whether or not patented or patentable), (iii) customer and supplier lists, (iv) strategic or other business, marketing or sales plans, and (v) financial data and plans. Executive acknowledges that the above-described knowledge and information constitutes a unique and valuable asset of the Company and represents a substantial investment of time and expense by the Company, and that any disclosure or other use of such knowledge or information other than for the sole benefit of the Company would be wrongful and would cause irreparable harm to the Company. During the term of Executive's employment with the Company, Executive shall refrain from any intentional acts or omissions that would reduce the value of such knowledge or information to the Company. The foregoing obligations of confidentiality shall not apply to any knowledge or information that (A) is now or subsequently becomes generally publicly known for reasons other than Executive's violation of this Agreement, (B) is independently made available to Executive in good faith by a third party who has not violated a confidential relationship with the Company, or (C) is required to be disclosed by legal process, other than as a direct or indirect result of the breach of this Agreement by Executive.

c) Notice Regarding Trade Secrets. Notwithstanding the foregoing, Executive shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made in confidence to a federal, state, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law. Executive shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. If Executive files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Executive may disclose the trade secret to the attorney of the employee and use the trade secret information in the court proceeding, if the employee files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order.

d) Ventures. If, during Executive's employment with the Company, Executive is engaged in or associated with the planning or implementing of any project, program or venture involving the Company, all rights in such project, program or venture shall belong to the Company. Except as approved in writing by the Board, Executive shall not be entitled to any interest in any such project, program or venture or to any commission, finder's fee or other compensation in connection therewith. Executive shall have no interest, direct or indirect, in any customer or supplier that conducts business with the Company, provided that a passive investment of less than 2.5% of the outstanding shares of capital stock of any customer or supplier listed on a national securities exchange or publicly traded in the over-the-counter market shall not constitute a breach of this sentence.

e) Agreement Not to Compete. During Executive's employment with the Company and the Restricted Period, regardless of the reason for such termination and regardless of whether the termination is initiated by the Company or Executive, Executive shall not, directly or indirectly, engage in any manner or capacity (including without limitation as a proprietor, principal, agent, partner, officer, director, employee, member of any association, consultant or otherwise) in any Competing Business (as defined below) in the Territory (as defined below). For purposes of this Section 6, (i) "Competing Business" means (A) the business of designing, developing, operating, managing, promoting, or marketing health and fitness clubs, health and fitness club memberships, or any services, products or programs offered by health and fitness clubs, including, without limitation, nutritional supplements, health or wellness incentive or weight loss programs, assessments or testing, medical spas, spas/salons, personal training, athletic events and related services (including race timing and registration and kids activities) and in-club restaurants/cafés (the "Integrated Health and Fitness Business"); (B) the sale of products or services related to the Integrated Health and Fitness Business; (C) the publication of any health and fitness publications; and/or (D) the sale, design or promotion of any other product or service that grows into a material business for the Company (or any product or service under development which the Company has spent a material amount of time, money or other resources to develop and such product or service is projected to grow into a material business for the

Company) as of the Termination Date, and (ii) "Territory" means the United States, Canada and any other country in which the Company is then doing business as of the Termination Date. Ownership by Executive, as a passive investment, of less than 2.5% of the outstanding shares of capital stock of any corporation listed on a national securities exchange or publicly traded in the over-the-counter market shall not constitute a breach of this Section 6(e).

f) Agreement Not to Solicit or Hire Employees. During Executive's employment with the Company and the Restricted Period, regardless of the reason for such termination and regardless of whether the termination is initiated by the Company or Executive, Executive shall not, directly or indirectly, (i) solicit for the purpose of employing or otherwise engaging any person who is then an employee of the Company or who was an employee of the Company as of the Termination Date or at any time in the six-month period prior to solicitation, or (ii) hire or engage any person (A) who is (or, in the six-month period prior to hire, was) a director or officer of the Company, or (B) who was a key management employee over which Executive had any direct supervisory authority or with which Executive had directly interacted on a regular basis at any time during his employment with the Company, in each case, in any manner or capacity, including without limitation as a proprietor, principal, agent, partner, officer, director, stockholder, employee, member of any association, consultant or otherwise. This Section 6(f) shall not restrict Executive or any future employer of Executive, or any entity in which Executive may own, directly or indirectly, an equity interest in, from placing notices of general solicitation of employment by means of advertisements, public notices, search firm inquiries or internal or external websites or job search engines which do not specifically target the aforementioned individuals and hiring individuals responding to such general solicitations, provided that such general solicitation does not eliminate Executive's individual restrictions on soliciting, hiring or engaging persons as set forth above.

g) Agreement Not to Solicit Business Relations. During Executive's employment with the Company and the Restricted Period, regardless of the reason for such termination and regardless of whether the termination is initiated by the Company or Executive, Executive shall not, directly or indirectly, solicit, request, advise or induce any current or potential customer, supplier or other business contact of the Company to cancel, curtail or otherwise change its relationship with the Company, in any manner or capacity, including without limitation as a proprietor, principal, agent, partner, officer, director, stockholder, employee, member of any association, consultant or otherwise.

h) Blue Pencil Doctrine. If the duration of, the scope of or any business activity covered by any provision of this Section 6 is in excess of what is valid and enforceable under applicable law, such provision shall be construed to cover only that duration, scope or activity that is valid and enforceable. Executive hereby acknowledges that this Section 6 shall be given the construction that renders its provisions valid and enforceable to the maximum extent, not exceeding its express terms, possible under applicable law.

i) Company Breach. Notwithstanding anything to the contrary in this Section 6, if (i) Executive is entitled to any payments pursuant to Section 5(a) and (ii) the Company fails in any material respect to make such payments in accordance with Section 5(a) and does not cure such failure within 30 days following the receipt of written notice of such failure from Executive, then the restrictive covenants in Sections 6(e), (f) and (g) shall cease to apply following the expiration of such 30-day period unless and until the Company cures such failure thereafter.

7. **Intellectual Property and Related Matters**.

a) Protectable Material. All right, title and interest in all discoveries, inventions, improvements, innovations and other material that Executive shall conceive or originate individually or jointly or commonly with others during the term of Executive's employment with the Company (i) that are directly related to the business of the Company or to the Company's actual or demonstrably anticipated research or development, or that results from any work performed by Executive for the Company, (ii) for which any equipment, supplies, facility or trade secret information of the Company was used and/or (iii) which was not developed entirely on Executive's own time, whether or not patentable, copyrightable, or registrable as a trademark ("Protectable Material"), shall be the property of the Company and are hereby assigned by Executive to the Company (and Executive agrees to assign all Protectable Material to the Company in the future), along with ownership of any and all patents, copyrights, trademarks and other intellectual property rights in the Protectable Material. Upon request and without further compensation therefor, but at no expense to Executive, Executive shall execute any and all papers and perform all other acts necessary to assist the Company to obtain and register patents, copyrights, trademarks and other intellectual property rights on the Protectable Materials in any and all countries. Where applicable, works of authorship created by Executive for the Company in performing Executive's duties and responsibilities hereunder shall be considered "works made for hire," as defined in the U.S. Copyright Act. Notwithstanding any other language in this Section 7(a) to the contrary, in accordance with Minnesota Statute Section 181.78 this Section 7(a) does not require Executive to assign or offer to assign to the Company any invention for which no equipment, supplies, facility or trade secret information of the Company was used and which was developed entirely on Executive's own time, and (A) which does not relate (y) directly to the business of the Company or (z) to the Company's actual or demonstrably anticipated research or development, or (B) which does not result from any work performed by Executive for the Company.

b) Trade Secrets. All trade secret information conceived or originated by Executive that arises during the term of Executive's employment with the Company and out of the performance of Executive's duties and responsibilities hereunder or any related material or information shall be the property of the Company, and all rights therein are hereby assigned by Executive to the Company.

c) Inventions/Non-Protectable Material. During the Term, Executive shall be obligated to inform the Company of any discoveries, inventions, improvements,

innovations and other material that Executive shall conceive or originate individually or jointly or commonly with others, whether or not patentable, copyrightable, or registrable as a trademark, that he reasonably believes do not constitute Protectable Material (any such material that is not Protectable Material, "Non-Protectable Material") and, to the extent such material constitutes Non-Protectable Material, the Company shall have no rights, title or interests in such material (unless otherwise agreed with Executive).

8. **Return of Records and Property**. On or within thirty days of the Termination Date, Executive shall promptly deliver to the Company any and all Company records and any and all Company property in Executive's possession or under Executive's control, and all copies thereof, including without limitation manuals, books, blank forms, documents, letters, memoranda, notes, notebooks, reports, printouts, computer disks, computer tapes, source codes, data, tables or calculations, keys, access cards, access codes, passwords, credit cards, personal computers, telephones and other electronic equipment belonging to the Company.

9. **Remedies**. Executive acknowledges that the provisions of Sections 6 through 8 and Section 11 are reasonable and necessary to protect the legitimate interests of the Company, and that any violation of those provisions by Executive would cause substantial and irreparable harm to the Company to such an extent that monetary damages alone would be an inadequate remedy therefore. Therefore, in the event of any actual or threatened breach of any such provisions, the Company shall, in addition to any other remedies it may have, be entitled to injunctive and other equitable relief to enforce such provisions and to restrain Executive from violating or continuing to violate such provisions, and such relief may be granted without the necessity of proving actual monetary damages or posting bond. The preceding sentence shall not be construed to prevent Executive from disputing the factual basis of any remedies or defenses asserted by the Company. Executive agrees that the Restricted Period shall be tolled, and shall not run, during any period of time in which he is in violation of the terms of Sections 6(e), (f) or (g), in order that the Company and its affiliates shall have all of the agreed-upon temporal protection recited herein. Subject to Section 6(i), no breach of any provision of this Agreement by the Company, or any other claimed breach of contract or violation of law, or change in the nature or scope of Executive's employment relationship with the Company, shall operate to extinguish Executive's obligation to comply with Sections 6 through 8 and Section 11 hereof. Each of the Company's affiliates shall have the right to enforce all of Executive's obligations to that affiliate under this Agreement, including without limitation pursuant to Sections 6 through 8 and Section 11 hereof.

10. **Indemnification**. The Company agrees to defend and indemnify Executive to the fullest extent permitted by applicable law and the Company's governing documents and Executive shall be entitled to the protection of any insurance policies the Company maintains generally for the benefit of its directors and officers.

11. **Non-Disparagement**. Executive will not malign, defame or disparage the reputation, character, image, products or services of the Company or any of its affiliates, or the reputation or character of the Company's or any of its affiliates' directors, officers,

employees, shareholders or agents, provided that nothing in this Section 11 shall be construed to limit or restrict Executive from taking any action that Executive in good faith reasonably believes is necessary to fulfill Executive's fiduciary obligations to the Company, or from providing truthful information in connection with any legal proceeding, government investigation or other legal matter. The Company shall instruct its current executive officers and directors not to malign, defame or disparage the reputation or image of Executive, provided that nothing in this Section 11 shall be construed to limit or restrict such officers and directors from taking any action that they in good faith reasonably believe is necessary to fulfill their fiduciary obligations to the Company, or from providing truthful information in connection with any legal proceeding, government investigation or other legal matter.

12. **Miscellaneous**.

a) Governing Law. All matters relating to the interpretation, construction, application, validity and enforcement of this Agreement shall be governed by the laws of the State of Minnesota without giving effect to any choice or conflict of law provision or rule, whether of the State of Minnesota or any other jurisdiction, that would cause the application of laws of any jurisdiction other than the State of Minnesota.

b) Jurisdiction and Venue. Executive and the Company consent to jurisdiction of the courts of the State of Minnesota and/or the United States District Court, District of Minnesota, for the purpose of resolving all issues of law, equity, or fact, arising out of or in connection with this Agreement. Any action involving claims of a breach of this Agreement shall be brought in such courts. Each party consents to personal jurisdiction over such party in the aforementioned courts and hereby waives any defense of lack of personal jurisdiction. Venue, for the purpose of all such suits, shall be in Minneapolis, Minnesota.

c) Entire Agreement. This Agreement contains the entire agreement of the parties relating to the subject matter of this Agreement and supersedes all prior agreements and understandings with respect to the subject matter hereof (including, without limitation, the Employment Agreement by and between Life Time Fitness, Inc. and Jeff Zwiefel dated July 7, 2004 and the Amended and Restated Executive Employment Agreement by and between Life Time Fitness, Inc. and Jeff Zwiefel dated December 29, 2008). This Agreement does not supersede the Option Agreement. Notwithstanding the foregoing, Section 6 of this Agreement supersedes Sections 4.4, 4.5, and 4.6 of the Option Agreement, which shall be of no further force and effect. The parties have made no agreements, representations or warranties relating to the subject matter of this Agreement that are not set forth herein.

d) No Violation of Other Agreements. Executive hereby represents and affirms that neither Executive's entering into and undertaking of obligations under this Agreement nor Executive's employment with the Company violate any other agreement (oral, written or other) to which Executive is a party or by which Executive is bound.

e) Amendments. No amendment or modification of this Agreement shall be deemed effective unless made in writing and signed by the parties hereto.

f) No Waiver. No term or condition of this Agreement shall be deemed to have been waived, except by a statement in writing signed by the party against whom enforcement of the waiver is sought. Any written waiver shall not be deemed a continuing waiver unless specifically stated, shall operate only as to the specific term or condition waived and shall not constitute a waiver of such term or condition for the future or as to any act other than that specifically waived.

g) Assignment. This Agreement shall not be assignable, in whole or in party, by either party without the written consent of the other party, except that the Company may, without the consent of Executive, assign all, but not less than all, of its rights and obligations under this Agreement to any corporation or other business entity (i) with which the Company may merge or consolidate, (ii) to which the Company may sell or transfer all or substantially all of its assets or capital stock, or (iii) of which 50% or more of the capital stock or the voting control is owned, directly or indirectly, by the Company. After any such assignment by the Company, the Company shall be discharged from all further liability hereunder and such assignee shall thereafter be deemed to be the "Company" for purposes of all terms and conditions of this Agreement, including this Section 12(g).

h) Counterparts. This Agreement may be executed in any number of counterparts and by facsimile, such counterparts executed and delivered, each as an original, shall constitute but one and the same instrument.

i) Severability. Subject to Section 6(h) hereof, to the extent that any portion of any provision of this Agreement shall be invalid or unenforceable, it shall be considered deleted herefrom and the remainder of such provision and of this Agreement shall be unaffected and shall continue in full force and effect.

j) Captions and Headings. The captions and paragraph headings used in this Agreement are for convenience or reference only and shall not affect the construction or interpretation of this Agreement or any of the provisions hereof.

k) Legal Expenses. The prevailing party shall be entitled to recover all legal fees and expenses which such party may reasonably incur as a result of any legal proceeding relating to the validity, enforceability, or breach of, or liability under, any provision of this Agreement or any guarantee of performance. Any recovery of legal fees and expenses due to the prevailing party pursuant to this Section 12(k) shall be paid by the non-prevailing party no later than thirty (30) days after a final determination of an award of legal fees and expenses to the prevailing party.

l) Notices. Any notice hereunder shall be in writing and shall be deemed to have been duly given if delivered by hand, sent by reliable next-day courier, or sent by registered or certified mail, return receipt requested, postage prepaid, to the party to receive such notice addressed as follows:

If to the Company:

Life Time Fitness, Inc.
2902 Corporate Place
Chanhassen, MN 55317
Attention: Executive Vice President, Human Resources

If to Executive:

Jeff Zwiefel
[***]

or addressed to such other address as may have been furnished to the sender by notice hereunder. Except as otherwise provided herein, all notices shall be deemed given on the date on which delivered if delivered by hand, or on the date sent if sent by overnight courier or certified mail, except that notice of change of address will be effective only upon receipt by the other party.

m) Tax Withholding. The Company may withhold from any amounts payable under this Agreement such federal, state and local income and employment taxes as the Company shall determine are required or authorized to be withheld pursuant to any applicable law or regulation. Except for any tax amounts withheld by the Company from any compensation that Executive may receive in connection with Executive's employment with the Company and any employer taxes required to be paid by the Company under applicable laws or regulations, Executive is solely responsible for payment of any and all taxes owed in connection with any compensation, benefits, reimbursement amounts or other payments Executive receives from the Company under this Agreement or otherwise in connection with Executive's employment with the Company. The Company does not guarantee any particular tax consequence or result with respect to any payment made by the Company. Except as explicitly set forth in Sections 3(e) and 5(a)(iv), in no event should this Section 12(m) or any other provision of this Agreement be construed to require the Company to provide any gross-up for the tax consequences of any provisions of, or payments under, this Agreement, and the Company has no responsibility for tax or legal consequences to Executive resulting from the terms or operation of this Agreement.

n) Section 280G. In the event that it shall be determined that any right to receive payment or other benefit under this Agreement or any other agreement by and between Executive and the Company, to or for the benefit of Executive (the "Payments"), would, in whole or part when aggregated with any other right, payment or benefit to or for Executive under all other agreements or benefit plans of any other person or entity, be nondeductible by the Company (or other person making such payment or providing such benefit) as a result of Section 280G of the

Code and/or would subject Executive to the excise tax imposed by Section 4999 of the Code (the "Excise Tax") then, subject to Executive's written agreement waiving his right to receive some or all of such payment or benefit (the "Waived Benefit") so that all remaining Payments shall not be deemed to be a parachute payment that would not be deductible under Section 280G of the Code (and accepting in substitution for the Waived Benefit the right to receive the Waived Benefit only if approved by the stockholders of the Company in a manner that complies with Section 280G(b)(5)(B) of the Code), the Company shall use commercially reasonable efforts to prepare and deliver to its stockholders the disclosure required by Section 280G(b)(5)(B) of the Code with respect to the Payments and to obtain the approval of the Company's stockholders in a manner that complies with Section 280G(b)(5)(B) of the Code.

o) Section 409A.

(i) The Company shall undertake to administer, interpret and construe this Agreement in a manner that does not result in the imposition on Executive of any additional tax, penalty or interest under Section 409A, and to comply with Section 409A to the extent applicable. Notwithstanding any provision of this Agreement to the contrary, in the event that the Company determines in good faith that any provision of this Agreement would cause Executive to incur an additional tax, penalty or interest under Section 409A, the Company and Executive shall cooperate in good faith to (A) adopt such amendments to this Agreement and appropriate policies and procedures, including amendments and policies with retroactive effect, as the Company and Executive determine to be necessary or appropriate to preserve the intended tax treatment of the benefits provided by this Agreement, to preserve the economic benefits of this Agreement and to avoid less favorable accounting or tax consequences for the Company and/or (B) take such other actions as the Company and Executive determine to be necessary or appropriate to exempt the amounts payable hereunder from Section 409A or to comply with the requirements of Section 409A and thereby avoid the application of penalty taxes thereunder. No provision of this Agreement shall be interpreted or construed to transfer any liability for failure to comply with the requirements of Section 409A from Executive or any other individual to the Company or any of its affiliates, employees or agents.

(ii) Separation from Service under Section 409A. (A) To the extent any payment hereunder constitutes "nonqualified deferred compensation" within the meaning of Section 409A, any such payment to be made under this Agreement upon a termination of employment shall only be made if such termination of employment constitutes a "separation from service" within the meaning of Section 1.409A-1(h) of the Department of Treasury Regulations, (B) for purposes of Section 409A, Executive's right to receive installment payments pursuant to Section 5(a) shall be treated as a right to receive a series of separate and distinct payments; and (C) to the extent that any reimbursement of expenses or in-kind benefits constitutes "deferred

compensation" within the meaning of Section 409A, such reimbursement or benefit shall be provided no later than December 31 of the year following the year in which the expense was incurred. The amount of expenses reimbursed in one year shall not affect the amount eligible for reimbursement in any subsequent year. The amount of any in-kind benefits provided in one year shall not affect the amount of in-kind benefits provided in any other year. Notwithstanding any other provision of this Agreement, if at the time of Executive's separation from service, he is a "specified employee," determined in accordance with Section 409A, any payments and benefits provided under this Agreement that constitute "nonqualified deferred compensation" subject to Section 409A that are provided to Executive on account of his separation from service shall not be paid until the first payroll date to occur following the six-month anniversary of Executive's termination date ("Specified Employee Payment Date"). The aggregate amount of any payments that would otherwise have been made during such six-month period shall be paid in a lump sum on the Specified Employee Payment Date and, thereafter, any remaining payments shall be paid without delay in accordance with their original schedule. If Executive dies during the six-month period, any delayed payments shall be paid to Executive's estate in a lump sum upon Executive's death.

IN WITNESS WHEREOF, Executive and the Company have executed this Agreement as of the date first set forth in the first paragraph.

Life Time Fitness, Inc.

/s/ Eric J. Buss
By: Eric J. Buss
Its: EVP

Executive

s/ Jeff Zwiefel
Jeff Zwiefel

EXHIBIT A

SEPARATION AGREEMENT AND RELEASE AGREEMENT

This Separation Agreement and Release ("Agreement") is between Jeff Zwiefel ("you") and Life Time Fitness, Inc. and its affiliates and subsidiaries (the "Company"). In consideration of the mutual promises contained in this Agreement, you and the Company agree as follows:

1. Separation of Employment. Effective [**TERMINATION DATE**] ("separation date"), your employment with the Company terminated, and, except as otherwise provided in this Agreement, all employment privileges and benefits ended as of the close of business on that date. Except as set forth in this Agreement, you affirm and agree that you have been paid all wages and other sums due and owing to you by the Company through the separation date.

2. Separation Pay. In consideration for your release contained in paragraph 7 below, the Company will pay you the compensation and benefits set forth in Sections 5(a) and 5(b) of the Employment Agreement by and between you and the Company dated [**INSERT**] (the "Employment Agreement"). You hereby acknowledge that you are not otherwise entitled to the compensation and benefits provided for in this paragraph unless you execute this Agreement, and that the Company has agreed to provide such compensation and benefits as consideration for your signing this Agreement.

3. Return of Company Property. You agree that you have complied or will comply with Section 8 of the Employment Agreement.

4. Confidential Information. You agree that you have complied and will comply with Section 6(b) of the Employment Agreement.

5. Notice Regarding Trade Secrets. Notwithstanding the foregoing, you shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made in confidence to a federal, state, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law. You shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. If you file a lawsuit for retaliation by the Company for reporting a suspected violation of law, you may disclose the trade secret to your attorney and use the trade secret information in the court proceeding, if you file any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order.

6. Confidentiality. You agree to keep the provisions of this Agreement confidential. You agree not to disclose any information concerning the provisions of this Agreement to any person or entity, including, but not limited to, any present or former employee of the Company. These confidentiality provisions are subject to the following exceptions: you may disclose the provisions of this Agreement to your attorneys, accountants, tax advisors, and immediate family, or in the course of legal proceedings involving the Company, or in response to a subpoena, court order, or inquiry by a government agency. You further agree that, if any information concerning the provisions of this Agreement is revealed as permitted by this paragraph, you shall inform the recipient of the information that it is confidential.

7. Release. As an inducement to the Company to enter into this Agreement, you fully release and discharge the Company, and its predecessors, successors, assigns, subsidiaries, and affiliates (including, without limitation, LTF Holdings, Inc.), and any of such entities' respective officers, directors, employees, agents, attorneys, insurers, and shareholders (including, without limitation, Green LTF Holdings, II, LP, LTF Coinvest LP, TPG VII Magni SPV, L.P., TPG VII Magni Co-Invest, L.P., and their respective affiliates) from all liability for damages or claims of any kind arising out of any actions, decisions, alleged omissions, or events occurring prior to your signing of this Agreement, including, but not limited to, your employment and separation from employment. You understand that this release includes, but is not limited to, claims under the Minnesota Human Rights Act, Minn. Stat. §§ 363A.01, et seq.; Minn. Stat. Chapter 181; claims brought under any state administrative statutory or codified law or regulation dealing with fair employment practices; Title VII of the Civil Rights Act, 42 U.S.C. § 2000e, et seq.; the Age Discrimination in Employment Act, 29 U.S.C. § 621, et seq.; the Americans with Disabilities Act, 42 U.S.C. § 12101, et seq.; the Worker Adjustment and Retraining Notification Act, 29 U.S.C. § 2101, et seq.; the Family and Medical Leave Act, 29 U.S.C. § 2601, et seq.; the Employee Retirement Income Security Act, 29 U.S.C. § 1001, et seq.; and any other federal, state, or local law, rule, statute, or regulation. You further understand that this release includes, but is not limited to, all claims that you have or may have for wrongful discharge, wrongful termination, discrimination, harassment, breach of contract, promissory estoppel or breach of an expressed or implied promise, misrepresentation or fraud, retaliation, reprisal, infliction of emotional distress, whistleblowing, defamation, or any other common law theory of recovery, and all claims otherwise based on any other theory, whether legal or equitable, whether developed or undeveloped, arising from or related to your employment with the Company, your separation from employment with the Company, or any other actions, decisions, alleged omissions, or events occurring up through your signing of this Agreement.

You agree that you will not institute any lawsuit against the Company or its predecessors, successors, assigns, subsidiaries, and affiliates, or any of such entities' respective officers, directors, employees, agents, attorneys, insurers, and shareholders, arising from or related to your employment with the Company, your separation from employment with the Company, or any other actions, decisions, alleged omissions, or events occurring up through the signing of this Agreement. You also waive the right to monetary damages or other individual legal or equitable relief awarded to and/or by any court or governmental agency related to any claim against the Company, and its predecessors, successors, assigns, subsidiaries, and affiliates, and any of such entities' respective officers, directors, employees, agents, attorneys, insurers, and shareholders, arising from or related to your employment with the Company, your separation from employment with the Company, or any other actions, decisions, alleged omissions, or events occurring up through your signing of this Agreement, to the greatest extent permitted by law. However, nothing in this Agreement shall be construed to prevent you from filing a charge or a complaint, including a challenge to the validity of this Agreement, with a governmental agency or from participating in or cooperating with any investigation conducted by a governmental agency, including but not limited to the Equal Employment Opportunity Commission and the Minnesota Department of Human Rights.

Notwithstanding the foregoing, nothing herein shall release (i) the Company of its obligations to you under Sections 5 and 11 of the Employment Agreement, (ii) LTF Holdings, Inc. of its obligations under the Non-Qualified Stock Option Agreement by and between LTF Holdings,

Inc. and you dated [**INSERT**], (iii) the Company of any indemnification obligations to you under the Company's bylaws, certificate of incorporation, federal, state or local law or otherwise, (iv) any rights you may have as an insured under any director's and officer's liability insurance policy now or previously in force, (v) any rights to unemployment, state disability and/or paid family leave insurance benefits pursuant to the terms of applicable law, (vi) any rights that you have as a holder of securities of the Company or of any other entity, or (vii) any violation of any federal, state or local statutory and/or public policy right or entitlement that, by applicable law, may not be waived.

8. Acceptance. The terms of this Agreement will be open for acceptance by you for a period oftwenty-one (21) days during which time you may consult with an attorney and consider whether or not to accept this Agreement. You agree that changes to this Agreement, whether material or immaterial, will not restart this acceptance period.

9. Right to Rescind/Revoke. You have the right to rescind this Agreement, only insofar as it extends to potential claims under the Minnesota Human Rights Act, by written notice to the Company within fifteen (15) calendar days following your signing of this Agreement. You also have the right to revoke this Agreement, only insofar as it extends to potential claims under the Age Discrimination in Employment Act, by written notice to the Company within seven (7) calendar days following your signing of this Agreement. Any such revocation or rescission must be in writing and hand-delivered to the Company or, if sent by mail, postmarked within the applicable time period, sent by certified mail, return receipt requested, and addressed as follows: Lisa Pollock, Vice President, Human Resources, Life Time Fitness, Inc., 2902 Corporate Place, Chanhassen, MN 55317.

You understand that, if you exercise your right of rescission and/or revocation, the Company may, at its option, either nullify this Agreement in its entirety or keep it in effect in all respects other than as to that portion of your release of claims that you have rescinded and/or revoked. In the event the Company opts to nullify the entire Agreement, you understand that the Company will have no obligations under this Agreement to you or others whose rights may derive from you.

10. Breach. If you materially breach any of the provisions of this Agreement, the Company shall have the right to terminate its obligations under this Agreement to you or others whose rights may derive from you. For the avoidance of doubt, the parties agree that Section 6(i) of the Employment Agreement shall continue to apply to this Agreement.

11. Medicare Coverage/Acknowledgment. You affirm, covenant, and warrant that you are not a Medicare beneficiary and are not currently receiving, have not received in the past, will not have received at the time of payment pursuant to this Agreement, are not entitled to, are not eligible for, and have not applied for or sought Social Security Disability or Medicare benefits. In the event any statement in the preceding sentence is incorrect (for example, but not limited to, if you are a Medicare beneficiary, etc.), the following sentences (i.e., the remaining sentences of this paragraph) apply. You affirm, covenant and warrant that you have made no claim for illness or injury against, nor are you aware of any facts supporting any claim against, the released parties under which the released parties could be liable for medical expenses incurred by you before or after the execution of this Agreement. Furthermore, you are aware of no medical expenses which

Medicare has paid and for which the released parties are or could be liable now or in the future. You agree and affirm that, to the best of your knowledge, no liens of any governmental entities, including those for Medicare conditional payments, exist. You will indemnify, defend, and hold the released parties harmless from Medicare claims, liens, damages, conditional payments, and rights to payment, if any, including attorneys' fees, and you further agree to waive any and all future private causes of action for damages pursuant to 42 U.S.C. § 1395y(b)(3)(A), et seq.

12. Cooperation Clause. You agree to reasonably cooperate with the Company in connection with any legal matters or investigations, if so requested by the Company, including agreeing to make yourself available at the Company's request to assist with matters requiring the provision of information and/or testimony; provided, however, that your obligations to cooperate hereunder shall be reasonably limited so as not to unreasonably interfere with your other business and personal obligations and the Company shall reimburse you for reasonable expenses related thereto.

13. No Admission. This Agreement is not an admission by the Company or you that it has or you have acted wrongfully or unlawfully, and the parties agree that it will not be interpreted as such.

14. Governing Law. This Agreement shall be governed by the laws of the State of Minnesota. If any part of this Agreement is construed to be in violation of any law, rule, or regulation, such part shall be modified to achieve the objective of the parties to the fullest extent permitted, and the balance of this Agreement shall remain in full force and effect.

15. Entire Agreement. The parties agree that this Agreement contains the entire agreement between the parties with respect to the subject matter of this Agreement. Any modification of or addition to this Agreement must be in writing, signed by an officer of the Company and you.

16. Valid Agreement. The parties agree that this Agreement and its releases fully comply with the Age Discrimination in Employment Act (including, without limitation, the Older Workers' Benefits Protection Act) (collectively referred to hereafter as the "ADEA"), the Minnesota Human Rights Act, and all other laws, statutes, ordinances, regulations, and/or principles of common law governing releases. Specifically as it relates to the ADEA, you understand that this Agreement has to meet certain requirements to validly release any ADEA claims you might have, and you represent that all such requirements have been satisfied, including that: (a) this Agreement is written in a manner calculated to be understood by you; (b) you are specifically waiving ADEA rights; (c) you are not waiving ADEA rights arising after the date of your signing this Agreement; (d) you are receiving valuable consideration in exchange for execution of this Agreement that you would not otherwise be entitled to receive; (e) the Company is hereby, in writing, encouraging you to consult with your attorney before signing this Agreement; and (f) you received twenty-one (21) days to consider this Agreement and at least seven (7) days to revoke it.

17. No Unlawful Restriction. You understand and agree that, notwithstanding anything to the contrary in this Agreement, nothing in this Agreement is intended to and/or shall: (a) impose any condition, penalty, or other limitation affecting your right to challenge this Agreement;

(b) constitute an unlawful release or waiver of any of your rights under any laws; or (c) prevent, impede, or interfere with your ability or right to: (1) provide truthful testimony if under subpoena to do so; (2) file any charge or complaint (including a challenge to the validity of this Agreement) with, or participate in an investigation or proceeding conducted by, the EEOC and/or any other governmental entity; (3) receive an award for information provided to any government agencies; and/or (4) respond as otherwise required and/or provided for by law. Notwithstanding anything to the contrary in any paragraph of this Agreement, nothing in this Agreement is intended to be or shall be construed as a violation of any law.

18. Acknowledgment. YOU AFFIRM THAT YOU HAVE READ THIS AGREEMENT. YOU ACKNOWLEDGE THAT YOU WERE PROVIDED WITH A REASONABLE AND SUFFICIENT PERIOD OF TIME TO REVIEW THIS DOCUMENT AND CONSIDER WHETHER OR NOT TO ACCEPT THIS AGREEMENT PRIOR TO SIGNING THIS AGREEMENT. YOU AGREE THAT THE PROVISIONS OF THIS AGREEMENT ARE UNDERSTANDABLE TO YOU, AND THAT YOU HAVE ENTERED INTO THIS AGREEMENT FREELY AND VOLUNTARILY. YOU ARE HEREBY ADVISED TO CONSULT WITH AN ATTORNEY PRIOR TO SIGNING THIS AGREEMENT.

August 18, 2021

Dear Bahram:

We are excited to set forth the terms and conditions that shall govern your continued employment with Life Time, Inc. (the "Company") serving in the position of Chief Executive Officer, reporting to the Company's Board of Directors (the "Board"), and continuing to serve as Chairman of the Board (subject to nomination and election by the Company's shareholders, as applicable). The terms of this offer letter shall be effective as of August 18, 2021 (the "Effective Date"), provided that, in the event the Company's initial public offering ("IPO") does not occur by December 31, 2021, Section 3 shall be void *ab initio.*

1. Base Salary. Commencing January 1, 2022, your annual base salary will be $1,500,000, less applicable taxes, deductions and withholdings. Your base salary will be reviewed annually as part of our performance review process and may be subject to increase (but not decrease) as assessed by the Board or the Compensation Committee of the Board (the "Compensation Committee") in its discretion (your base salary in effect as of any date, "Base Salary").

2. Annual Performance Bonus. Commencing with the Company's fiscal year 2022, you will be eligible for an annual incentive bonus with a target payout of 200% of Base Salary (which equates to $3,000,000 for fiscal year 2022 based on your Base Salary for 2022) ("Target Bonus"), less applicable taxes, deductions, and withholdings. The threshold payout of the annual incentive bonus will be 50% of the Target Bonus (or 100% of your Base Salary). The maximum achievable payout of the annual incentive bonus will be 150% of the Target Bonus (or 300% of your Base Salary). The annual incentive bonus will be determined based on the achievement of Company and individual annual performance goals, determined by the Board or Compensation Committee, in consultation with you, provided that no annual bonus will be paid for any year to the extent the Company or you do not obtain the threshold performance goals for such year (as established by the Board or the Compensation Committee). You will not be eligible for an annual bonus for fiscal year 2021.

3. Equity Grants.

(a) IPO Award. Subject to the approval of the Board or the Compensation Committee, you will be granted on or within five days following the pricing of the IPO equity awards with a target grant date value of at least $5,000,000 as determined by the Board or Compensation Committee in its discretion, 50% of which shall be in the form of restricted stock units and 50% of which shall be in the form of stock options; provided that, to the extent the initial public offering price of the Company's common stock in connection with the IPO is less than $25.00, the target grant date value may be adjusted as determined by the Board or the Compensation Committee in good faith. Each such award will be granted pursuant to the terms of the Company's equity

incentive plan then in effect (the "Company Equity Plan"), and an applicable award agreement, as determined by the Board or Compensation Committee. Such equity awards shall be subject to vesting over a period of four years in equal annual installments, subject to your continued service with the Company through the applicable vesting date(s).

(b) Annual Grants. Commencing in 2022 and ending in 2024, you will, to the extent you remain the Chief Executive Officer of the Company, be eligible for annual equity awards with a target grant date value of at least $7,500,000 as determined by the Board or Compensation Committee in its discretion pursuant to the terms of the Company Equity Plan or such other plan as may be in effect at the Company for the grant of equity awards, and an applicable award agreement, as determined by the Board or Compensation Committee. Such annual grants are intended to be fifty percent (50%) in the form of restricted stock units and fifty percent (50%) in the form of stock options, subject to vesting over a period of four years in equal annual installments, subject to your continued service with the Company through the applicable vesting date(s). Notwithstanding the foregoing, all such awards shall be subject to the approval of the Board or Compensation Committee and the Board or Compensation Committee may adjust the target grant date value, form and/or vesting of such awards in good faith to the extent appropriate to take into account the Company's business needs and/or stock price, institutional shareholder or governance considerations, shareholder outreach and/or market practice.

4. Comprehensive Benefits. While employed with the Company, you will be eligible to participate in the same employee benefit plans as are generally available to other senior executives of the Company, as such employee benefit plans may be amended from time to time. You will receive reimbursement for business expenses on the same terms as are generally available to other senior executives of the Company. While employed with the Company and thereafter, you also will receive indemnification and liability insurance coverage on terms no less favorable than the coverage provided to any other then-current or former executive officer of the Company, as applicable.

5. Termination of Employment. In the event you voluntarily resign your employment with the Company for Good Reason or your employment is terminated by the Company without Cause, in either case, following the three-year anniversary of the Effective Date, subject to your execution and non-revocation of a release of claims in favor of the Company in the Company's then-applicable form ("Release of Claims") and such Release of Claims becoming non-revocable and effective prior to the sixtieth day following the date your employment terminates and your continued compliance with that certain Non-Competition Agreement between you and the Company dated as of even date herewith (the"Non-Competition Agreement") and any other applicable written restrictive covenant agreements in favor of the Company, you will be entitled to receive severance benefits that are at least as favorable as those generally provided to other senior executives of the Company as of the date of your termination of employment. Such severance benefits will be payable in a manner consistent with the terms generally applicable to other senior executives and in all events in accordance with Section 409A of the Code and Section 12 of this offer letter. You acknowledge and agree that, except as set forth in this Section 5, you are not entitled to any severance payments or benefits from the Company or any of its affiliates.

6. Loan. The Company acknowledges and agrees that as an inducement for you to accept this offer letter and the terms of theNon-Competition Agreement and your agreement that

you will not be entitled to severance benefits in the event of your termination of employment for any reason during the three-year period following the Effective Date and in order to comply with applicable federal securities laws, the Company terminated, pursuant to the approval by the Board and effective on August 18, 2021 (the "Loan Cancellation Date") that certain Amended and Restated Term Loan Agreement between you and the Company, dated September 21, 2018, as amended (the "Loan Agreement"), and all principal and interest amounts owing by you under such Loan Agreement and the Term Note dated August 27, 2018, equal to an amount of $17,673,043.22, have been cancelled and discharged in full and all other obligations of you, and rights of the Company, under the Loan Agreement and the corresponding Pledge and Security Agreement between you and the Company, dated August 27, 2018, were terminated as of the Loan Cancellation Date. You acknowledge and agree that you are solely responsible for all income and withholding taxes (other than employer-paid payroll taxes) in relation to the cancellation and discharge of your obligations under the Loan Agreement and shall promptly pay to the Company all such withholding taxes.

7. Internal Revenue Code Section 280G

(a) Notwithstanding anything to the contrary contained in this offer letter, to the extent that any amount, equity awards or benefits paid or distributed to you pursuant to this offer letter or any other agreement, plan or arrangement between the Company or its subsidiaries or affiliates, on the one hand, and you on the other hand (collectively, the "280G Payments") (i) constitute a "parachute payment" within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "Code") and (ii) but for this provision would be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then the 280G Payments shall be payable either (a) in full, notwithstanding that some or all portion of such payment may be subject to the Excise Tax or (b) in such lesser amount that would result in no portion of such 280G Payments being subject to Excise Tax, whichever of the foregoing amounts, taking into account the applicable federal, state and local income or excise taxes (including the Excise Tax) results in your receipt on an after-tax basis, of the greatest amount or benefits under this offer letter, notwithstanding that all or some portion of such benefits may be taxable under Section 4999 of the Code.

(b) Unless otherwise agreed between the parties (and in all cases subject to compliance with Code Section 409A), payments shall be reduced in the following order (i) any severance payment based on multiple of base salary and/or annual bonus; (ii) any pro rata bonus paid as severance; (iii) any other cash payments, (iv) acceleration of vesting of equity awards not subject to Q/A-24(c) of Treasury Regulation 1.280G-1; and (v) acceleration of vesting of equity awards subject to Q/A-24(c) of Treasury Regulation 1.280G-1; provided that, within any category, reductions shall be made on a pro rata basis.

(c) All determinations required to be made under this Section 7 shall be made by a nationally recognized certified public accounting or consulting firm as may be designated by the Company and reasonably acceptable to you (such acceptance not to be unreasonably withheld, conditioned or delayed) (the "280G Advisor"), which 280G Advisor shall provide detailed supporting calculations both to the Company and you within fifteen (15) business days of the receipt of notice from the Company that there is or may be made a 280G Payment. All fees and expenses of the 280G Advisor shall be borne solely by the Company.

8. At-Will Employment. Your employment with the Company shall be "at will," which means that both the Company and you have the right to end your employment at any time, with or without advance notice, and with or without Cause. The at-will nature of your employment may not be modified or amended except by written agreement signed by an authorized officer of the Company, following approval by the Board or the Compensation Committee, and you.

9. Compensation Recovery Policy. You acknowledge and agree that, to the extent the Company adopts any claw-back or similar policy pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act or otherwise, and any rules and regulations promulgated thereunder, you shall take all action necessary or appropriate to comply with such policy (including, without limitation, entering into any further agreements, amendments or policies necessary or appropriate to implement and/or enforce such policy with respect to past, present and future compensation, as appropriate).

10. Tax Withholding. All amounts payable hereunder shall be subject to any required withholdings and deductions.

11. Counterparts. This offer letter may be executed in counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties.

12. Section 409A. It is intended that all of the severance payments and other benefits and payments payable under this offer letter be exempt from the application of Code Section 409A, and if not so exempt that they comply with the provisions of Code Section 409A, and this offer letter will be construed and interpreted accordingly. For purposes of Code Section 409A, your right to receive any installment payments under this offer letter (whether severance payments, reimbursements or otherwise) shall be treated as a right to receive a series of separate payments and, accordingly, each installment payment hereunder shall at all times be considered a separate and distinct payment. Notwithstanding any provision to the contrary in this offer letter, if you are deemed by the Company at the time of your "separation from service" (within the meaning of Code Section 409A) to be a "specified employee" for purposes of Code Section 409A(a)(2)(B)(i), and if any of the payments upon separation from service set forth herein and/or under any other agreement with the Company are deemed to be "deferred compensation," then to the extent delayed commencement of any portion of such payments is required in order to avoid a prohibited distribution under Code Section 409A(a)(2)(B)(i) and the related adverse taxation under Code Section 409A, such payments shall not be provided to you prior to the earliest of (a) the expiration of the six-month period measured from the date of your separation from service with the Company, (b) the date of your death or (c) such earlier date as permitted under Code Section 409A without the imposition of adverse taxation. Upon the first business day following the expiration of such applicable Code Section 409A(a)(2)(B)(i) period, all payments deferred pursuant to this paragraph shall be paid in a lump sum to you, and any remaining payments due shall be paid as otherwise provided herein or in the applicable agreement. No interest shall be due on any amounts so deferred. Additionally, notwithstanding any other provisions in this offer letter, to the extent required to comply with, and avoid excise taxes and penalties under, the provisions of Code Section 409A, a termination of employment shall not be deemed to have occurred for purposes of any provision of this offer letter providing for the payment of amounts or benefits upon or following a termination of employment unless such termination is also a "separation from service"

within the meaning of Code Section 409A and, for purposes of any such provision of this offer letter, references to a "resignation," "termination," "termination of employment" or like terms shall mean separation from service. With respect to reimbursements provided to you hereunder (or otherwise) that are not exempt from Code Section 409A, the following rules shall apply: (i) the amount of expenses eligible for reimbursement during any one of your taxable years shall not affect the expenses eligible for reimbursement in any other taxable year, (ii) in the case of any reimbursements of eligible expenses, reimbursement shall be made on or before the last day of your taxable year following the taxable year in which the expense was incurred and (iii) the right to reimbursement shall not be subject to liquidation or exchange for another benefit.

13. Entire Agreement. This offer letter, including the referenced documents herein (including theNon-Competition Agreement), forms the entire agreement between you and the Company and replaces all prior communications or agreements on matters related to employment at the Company; provided that nothing herein supersedes or modifies the terms and conditions of any existing agreements in respect of equity awards previously granted to you.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Sincerely,

Life Time, Inc.
By: Thomas Bergmann
Its: President and Chief Financial Officer

Accepted and Agreed as of the Effective Date:

Bahram Akradi

EXHIBIT A

For purposes of this offer letter, "Cause" means (a) commission of an act of material fraud or material dishonesty against the Company or any of its subsidiaries; (b) intentional refusal or willful failure to substantially carry out the lawful and reasonable instructions of the Board after receiving written notification of the failure from the Board (other than any such failure resulting from your Disability and excluding any failure to achieve a lawful and reasonable directive following the expenditure by you of commercially reasonable best efforts); (c) commission of, indictment for, conviction of, guilty plea or "no contest" plea to a felony or to a misdemeanor involving moral turpitude (where moral turpitude means so extreme a departure from ordinary standards of honesty, good morals, justice or ethics as to be shocking to the moral sense of the community); (d) gross misconduct in connection with the performance of your duties; (e) improper disclosure of confidential information, which use or disclosure causes or could reasonably be expected to cause material harm to the Company or any of its subsidiaries; (f) failure to reasonably cooperate with the Company or any of its subsidiaries in any investigation or formal proceeding; or (g) your material breach of this offer letter, the Non-Competition Agreement or any other written agreement or arrangement with the Company or any of its subsidiaries. Prior to termination for Cause, to the extent any grounds for Cause are curable and the provision of a cure period will not adversely affect the business, finances, reputation or good will of the Company or any of its subsidiaries, the Company shall provide 30 days prior written notice of the grounds for Cause, and give you an opportunity within (and including all of) those 30 days to cure the alleged grounds. If the grounds are substantially cured during such period (as reasonably determined by the Board in good faith), Cause will not exist on account of such grounds. No act or failure to act on your part shall be considered "willful" unless the Company reasonably and in good faith determines it is done, or omitted to be done, in bad faith or without reasonable belief that your act or omission was in the best interests of the Company. Without limitation, any act, or failure to act, based upon express direction given pursuant to a resolution duly adopted by the Board with respect to such act or omission, or based upon the reasonable advice of legal counsel for the Company, shall be conclusively presumed to be done, or omitted to be done, by you in good faith and in the best interests of the Company.

For purposes of this offer letter, "Disability" means your inability to perform on a full-time basis the duties and responsibilities of your employment with the Company by reason of your illness or other physical or mental impairment or condition, as determined by a physician mutually acceptable to you and the Company, if such inability continues for an uninterrupted period of 90 days or more during any 365-day period. A period of inability shall be "uninterrupted" unless and until you return to full-time work from the above-referenced leave for a continuous period of at least 180 days, excluding vacation days or sick days taken for reasons unrelated to the illness or other physical or mental impairment or condition necessitating the above-referenced leave.

For purposes of this offer letter, a resignation for "Good Reason" means your resignation following the occurrence, without your express, written consent, of one or more of the following conditions (whether by a single action or a series of actions): (a) a material reduction by the Company in your title, duties, responsibilities, or authority as Chief Executive Officer of the

Company; (b) a material reduction by the Company of your annual base salary or Target Bonus, other than as part of a reduction affecting all or substantially all of the Company's senior leadership team; or (c) the Company's material breach of this offer letter. Notwithstanding the foregoing, you shall not be deemed to have "Good Reason" under this offer letter unless you provide written notice to the Company of the event or condition giving rise to Good Reason within 30 days after its initial occurrence, such event or condition continues to exist on the 30th day following your provision of such notice to the Company (the "Cure Period") and your resignation is effective within 30 days following the end of the Cure Period.

Exhibit 10.28

Execution Version

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "***Agreement***"), entered into as of September 13, 2021, is made by and between Life Time Group Holdings, Inc. ("***Life Time***", and together with any of its subsidiaries and affiliates as may employ Executive from time to time, and any successor(s) thereto, the "***Company***" (except as set forth in Section 9(a)) and Thomas E. Bergmann (the "***Executive***") (collectively referred to herein as the "***Parties***"). This Agreement shall be effective as of the date of closing of the initial public offering of the Company (or such other date mutually agreed in writing between the parties) (such date, the "***Effective Date***"). If the initial public offering of the Company does not occur on or prior to January 1, 2022, this Agreement will be void *ab initio.*

WHEREAS, the Executive is currently employed by the Company as its President & Chief Financial Officer pursuant to the terms of that certain Executive Employment Agreement by and between the Parties, dated as of January 29, 2016, as subsequently amended (the "***Prior Agreement***");

WHEREAS, it is the desire of the Company to continue to assure itself of the services of Executive following the Effective Date upon the terms and conditions of this Agreement, which replaces and supersedes the Prior Agreement; and

WHEREAS, the Executive desires to provide services to the Company on the terms herein provided.

NOW, THEREFORE, in consideration of the promises and the mutual agreements and covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Company and Executive, the parties agree as follows:

1. Employment Period. The term of Executive's employment with the Company under this Agreement shall be for the period beginning on the Effective Date and continuing until Executive's employment with the Company is terminated in accordance with the terms of this Agreement (the "***Employment Period***").

2. Terms of Employment.

(a) Position and Duties.

(i) Role and Responsibilities. During the Employment Period, the Executive shall serve as President & Chief Financial Officer of Life Time, and shall perform such employment duties as are usual and customary for such positions (subject to Section 3(d)(i)). The Executive shall report directly to the Chief Executive Officer of Life Time. Executive will use Executive's best efforts to promote the interests, prospects and condition (financial and otherwise) and welfare of the Company and shall perform Executive's fiduciary duties and responsibilities to the Company to the best of Executive's ability in a diligent, trustworthy, businesslike and efficient manner. Executive agrees that Executive will observe and comply with the Company's rules and policies as adopted by the Company and in effect from time to time. At the Company's request, the Executive shall serve the Company and/or its subsidiaries and affiliates in other capacities in addition to the foregoing, consistent with the Executive's position as President & Chief Financial Officer of Life Time. In the event that the Executive, during the Employment Period, serves in any one or more of such additional capacities, the Executive's compensation shall not be increased beyond that specified in Section 2(b) hereof. In addition, in the event the Executive's service in one or more of such additional capacities is terminated, the Executive's compensation, as specified in Section 2(b) hereof, shall not be diminished or reduced in any manner as a result of such termination provided that the Executive otherwise remains employed under the terms of this Agreement.

(ii) Exclusivity. During the Employment Period, and excluding any periods of vacation and sick leave to which the Executive may be entitled, the Executive agrees to devote his or her full business time and attention to the business and affairs of the Company. Executive shall not engage in outside business activities (including serving on outside boards or committees) without the prior written consent of the Board of Directors of Life Time (the "***Board***") (which shall not be unreasonably withheld);*provided* that Executive shall be permitted to (i) manage Executive's personal, financial and legal affairs, (ii) participate in trade associations and charitable and community affairs and (iii) serve on the board of directors of SRAM Corporation and one additional outside board of directors or advisory board, subject to the prior written consent of the Company's Chief Executive Officer, in each case, to the extent such actions do not result in any violation of Sections 7 through 9.

(iii) Principal Location. During the Employment Period, the Executive shall perform the services required by this Agreement at the Company's offices located in Boulder, Colorado or such other location mutually agreed upon by the Company and the Executive (the "***Principal Location***"), except for travel to other locations as may be necessary or appropriate to fulfill the Executive's duties and responsibilities hereunder.

(b) Compensation, Benefits, Etc. Subject to Section 3(d)(i):

(i) Base Salary. During the Employment Period, the Executive shall receive a base salary (the "***Base Salary***") of $900,000 per annum. The Base Salary shall be subject to review at least annually by the Board or its delegate in its discretion. The Base Salary shall be paid in accordance with the Company's normal payroll practices.

(ii) Annual Cash Bonus. In addition to the Base Salary, the Executive shall be eligible to earn, for each fiscal year of the Company ending during the Employment Period commencing in fiscal year 2022, a discretionary cash performance bonus (an "***Annual Bonus***") under the Company's bonus plan or program applicable to senior executives. The Executive's target Annual Bonus shall be set at 67% (initially $600,0000) of the Base Salary actually paid for such year (the "***Target Bonus***"). The Target Bonus shall be subject to review at least annually by the Board or its delegate in its discretion. The threshold payout of the Annual Bonus will be 33% of the Base Salary (initially $300,000) actually paid for such year and the maximum payout of the Annual Bonus will be 100% of the Base Salary (initially $900,000) actually paid for such year. The actual amount of any Annual Bonus shall be determined by reference to the attainment of Company performance metrics and/or individual performance objectives, in each case, as determined by the Board or the Compensation Committee or similar committee in its discretion (but in the case of Company performance metrics, consistent with the methodology applicable for the Chief Executive Officer of the Company), and may be greater or less than the Target Bonus. Subject to Section 4(a) hereof, payment of any Annual Bonus(es), to the extent any Annual Bonus(es) become payable, will be made at the same time bonuses are paid to other similarly-situated executives of the Company generally, contingent upon the Executive's continued employment through the applicable payment date.

(iii) Benefits. During the Employment Period, the Executive (and the Executive's spouse and/or eligible dependents to the extent provided in the applicable plans and programs) shall be eligible to participate in and be covered under the health and welfare benefit plans and programs maintained by the Company for the benefit of its employees from time to time, subject to the terms of such plans and programs including any medical and dental insurance plans and programs. In addition, during the Employment Period, Executive shall be eligible to participate in any retirement, savings and other employee benefit plans and programs maintained from time to time by the Company for the benefit of its senior executive officers generally. Notwithstanding the foregoing, nothing contained in this Section 2(b)(iii) shall create or be deemed to create any obligation on the part of the Company to adopt or maintain any health, welfare, retirement or other benefit plan or program at any time or to create any limitation on the Company's ability to modify or terminate any such plan or program.

(iv) Expenses. During the Employment Period, the Executive shall be entitled to receive reimbursement for all reasonable business expenses incurred by the Executive in accordance with the policies, practices and procedures of the Company.

(v) Vacation. During the Employment Period, the Executive shall be entitled to paid vacation in accordance with the plans, policies, programs and practices of the Company applicable to its senior executives in effect from time to time.

(vi) Equity Awards. During the Employment Period, Executive will be eligible to participate in the Company's equity incentive plan then in effect and receive equity awards thereunder, as determined by the Board or the Compensation Committee (or similar committee) of the Board in its sole discretion and subject to the terms of the Company's equity incentive plan then in effect and an applicable award agreement.

3. Termination of Employment.

(a) Death or Disability. The Executive's employment shall terminate automatically upon the Executive's death during the Employment Period. Either the Company or the Executive may terminate the Executive's employment in the event of the Executive's Disability during the Employment Period. For purposes of this Agreement, "***Disability***" shall mean: Executive's inability to perform on a full-time basis the duties and responsibilities of Executive's employment with the Company by reason of Executive's illness or other physical or mental impairment or condition, as determined by a physician mutually acceptable to Executive and the Company, if such inability continues for an uninterrupted period of 90 days or more during any 365-day period. A period of inability shall be "uninterrupted" unless and until Executive returns to full-time work from the above-referenced leave for a continuous period of at least 180 days, excluding vacation days or sick days taken for reasons unrelated to the illness or other physical or mental impairment or condition necessitating the above-referenced leave.

(b) Termination by the Company. The Company may terminate the Executive's employment during the Employment Period for Cause or without Cause. For purposes of this Agreement, "***Cause***" shall mean the occurrence of any one or more of the following events unless, to the extent capable of correction, the Executive fully corrects the circumstances constituting Cause within thirty (30) days after receipt of the Notice of Termination (as defined below):

(i) repeated and willful or grossly negligent failure to perform the Executive's material duties on behalf of the Company;

(ii) the Executive's willful or grossly negligent violation of any material Company rule, procedure or policy, or breach of any material non-disclosure, non-competition, non-solicitation or other similar agreement between the Company (or any subsidiaries thereof) and the Executive;

(iii) the Executive's plea of *nolo contendere* to, or conviction of a felony or a crime of moral turpitude or involving fraud or dishonesty (other than minor traffic violations or similar offenses);

(iv) the perpetration of any act of fraud, embezzlement or material dishonesty against or affecting the Company, any of its subsidiaries, or any customer, agent or employee thereof;

(v) material breach of fiduciary duty or material breach of this Agreement (or any other written agreement by and between the Executive and the Company) by Executive;

(vi) repeated insolent or abusive conduct in the workplace, including but not limited to, harassment of others of a racial or sexual nature; or

(vii) engaging in any act of material self-dealing without prior notice to and consent by the Board.

For purposes of this provision, no act or failure to act shall be deemed "willful" unless done or omitted to be done in bad faith and without reasonable belief that such action or omission was in the best interest of the Company and its affiliates.

(c) Termination by the Executive. The Executive's employment may be terminated by the Executive for any reason, including with Good Reason or by the Executive without Good Reason. For purposes of this Agreement, "***Good Reason***" shall mean the occurrence of any one or more of the following events without the Executive's prior written consent, unless the Company fully corrects the circumstances constituting Good Reason (provided such circumstances are capable of correction) as provided below:

(i) The Company has breached any material term(s) or material condition(s) of this Agreement;

(ii) A requirement imposed by the Company on the Executive that Executive's principal place of employment be anywhere other than within a 75 mile radius of the Executive's Principal Location, and the relocation results in a material change to the geographic location at which the Executive performs services;

(iii) A 10% or greater reduction in the Executive's Base Salary or Target Bonus as then in effect, other than in connection with an across-the-board reduction affecting other similarly situated executives of the Company or as otherwise contemplated by Section 3(d)(i);

(iv) The Company has assigned duties and responsibilities to Executive that are materially inconsistent with Executive's position, duties or responsibilities as set forth in this Agreement, such that there occurs a material reduction in Executive's duties, responsibilities or authority as set forth in this Agreement, other than as contemplated by Section 3(d)(i); or

(v) The Company appoints any person (other than Bahram Akradi or Executive) as the Chief Executive Officer of the Company.

Notwithstanding the foregoing, the Executive will not be deemed to have resigned for Good Reason unless (1) the Executive provides the Company with written notice setting forth in reasonable detail the facts and circumstances claimed by the Executive to constitute Good Reason within ninety (90) days after the date of the occurrence of any event that the Executive knows or should reasonably have known to constitute Good Reason, (2) the Company fails to cure such acts or omissions within thirty (30) days following its receipt of such notice, and (3) the effective date of the Executive's termination for Good Reason occurs no later than thirty (30) days after the expiration of the Company's cure period.

(d) Notice of Suspension or Termination.

(i) Notwithstanding anything to the contrary herein, in the event of the Executive's arrest or indictment for a felony, crime or misdemeanor described in Section 3(b)(iii),

the Company shall have the right (but not obligation) to suspend the Executive without compensation of any kind until such time as either (A) a court of competent jurisdiction makes a final determination as to the Executive's guilt or innocence or (B) the Executive pleads *nolo contendere* to such alleged felony or crime; provided that, if the court makes a final determination that the Executive should be acquitted of such felony or crime, the Company shall either (x) reinstate the Executive and pay to the Executive the amount of Base Salary that was withheld pursuant to this Section 3(d)(i) within 30 days following such reinstatement, or (y) terminate the Executive's employment pursuant to Section 3(b) and pay any severance required in accordance with Section 4. For the avoidance of doubt, the Company retains the right to terminate the Executive's employment with the Company at any time during or following such period of suspension pursuant to Section 3(b).

(ii) Any termination by the Company for Cause, or by the Executive for Good Reason, shall be communicated by a Notice of Termination to the other parties hereto given in accordance with Section 13(d) hereof. For purposes of this Agreement, a "***Notice of Termination***" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated and (iii) if the Date of Termination (as defined below) is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than thirty (30) days after the giving of such notice). The failure by the Executive or the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason or Cause shall not waive any right of the Executive or the Company, respectively, hereunder or preclude the Executive or the Company, respectively, from asserting such fact or circumstance in enforcing the Executive's or the Company's rights hereunder.

(e) Termination of Offices and Directorships; Return of Property. Upon termination of the Executive's employment for any reason, unless otherwise specified in a written agreement between the Executive and the Company, the Executive shall be deemed to have resigned from all offices, directorships, and other employment positions if any, then held with the Company, and shall take all actions reasonably requested by the Company to effectuate the foregoing. In addition, upon the termination of the Executive's employment for any reason, the Executive agrees to return to the Company all documents of the Company and its affiliates (and all copies thereof) and all other Company or Company affiliate property that the Executive has in his or her possession, custody or control. Such property includes, without limitation: (i) any materials of any kind that the Executive knows contain or embody any proprietary or confidential information of the Company or an affiliate of the Company (and all reproductions thereof), (ii) computers (including, but not limited to, laptop computers, desktop computers and similar devices) and other portable electronic devices (including, but not limited to, tablet computers), cellular phones/smartphones, credit cards, phone cards, entry cards, identification badges and keys, and (iii) any correspondence, drawings, manuals, letters, notes, notebooks, reports, programs, plans, proposals, financial documents, or any other documents concerning the customers, business plans, marketing strategies, products and/or processes of the Company or any of its affiliates and any information received from the Company or any of its affiliates regarding third parties.

4. Obligations of the Company upon Termination. Upon a termination of the Executive's employment for any reason, the Executive shall be entitled to receive, in a single lump-sum payment, (i) the aggregate amount of the Executive's earned but unpaid Base Salary, (ii) any unpaid Annual Bonus earned by Executive for the year prior to the year in which the Date of Termination occurs, (iii) reimbursement of expenses to which Executive is entitled and (iv) any other benefits to which Executive is legally entitled (collectively, the "***Accrued Obligations***").

(a) Without Cause or For Good Reason. If the Executive's employment with the Company is terminated during the Employment Period (x) by the Company without Cause (other than by reason of the Executive's death or Disability) or (y) by the Executive for Good Reason (in either case, a "***Qualifying Termination***"), then following the date of such termination of employment (such date, the "***Date of Termination***"), in addition to the Accrued Obligations:

(i) *Target Compensation Continuation*. The Company shall continue to pay to the Executive an amount equal to 50% of the sum of the Executive's (1) Base Salary and (2) Target Bonus in effect as of the Date of Termination (the amount of such sum, the "***Total Target Compensation***"), but not to exceed a maximum amount of two times the lesser of: (x) the Code § 401(a)(17) compensation limit for the year in which the Date of Termination occurs; or (y) the sum of Executive's annualized compensation based upon the annual rate of pay for services provided to the Company for the calendar year prior to the calendar year in which the Date of Termination occurs (adjusted for any increase during that year that was expected to continue indefinitely) (the "***Target Compensation Continuation Amount***"). Such Target Compensation Continuation Amount shall be paid during the period beginning on the Date of Termination and ending on the six (6) month anniversary of the Date of Termination in installments in accordance with the Company's regular payroll practices as of the Date of Termination, provided that to the extent any portion of such payment is delayed pursuant to Section 4(a)(v), such portion shall be paid in a lump sum on the first payroll date following the 60th day following the Date of Termination.

(ii) *Potential Make-Up Payment.* In the event that the Target Compensation Continuation Amount is reduced under Section 4(a)(i) from 50% of Executive's Total Target Compensation as of the Date of Termination by application of clause (x) or (y) thereof, then the Company shall make an additional lump sum payment to the Executive equal to the difference between (x) 50% of Executive's Total Target Compensation as of the Date of Termination, and (y) the amount to be paid to the Executive under Section 4(a)(i) as a result of the application of clause (x) or (y) thereof. Such payment will be paid to the Executive on the Company's first regular payroll after the Executive executes and delivers to the Company the Release (as defined below) and after the expiration of an applicable revocation period, if any, but in no event later than 75 days after the Date of Termination.

(iii) *Supplemental Target Compensation Continuation.* The Company will pay to Executive an additional amount equal to 100% of Executive's Total Target Compensation as of the Date of Termination (the "***Supplemental Target Compensation Continuation Amount***"). Such Supplemental Target Compensation Continuation Amount shall be paid to Executive in equal installments in accordance with the Company's regular payroll schedule, commencing on the first regular payroll date of the Company that occurs following completion of all payments under Section 4(a)(i) (and in any event commencing no earlier than the first day of the seventh month after the Date of Termination) and continuing for twelve (12) months.

(iv) *COBRA*. During the period beginning on the Date of Termination and ending on the eighteen (18) month anniversary of the Date of Termination (or, if shorter, during the period commencing on the date of Executive's Qualifying Termination and ending on the date on which Executive becomes eligible for coverage under any group health plan of a subsequent employer or otherwise) (in any case, the "***Benefits Continuation Period***"), subject to the Executive's valid election to continue healthcare coverage under Section 4980B of the Internal Revenue Code and the regulations thereunder (together, the "***Code***"), the Company shall continue to provide the Executive and the Executive's eligible dependents with coverage under its group health plans at the same levels and the same cost to the Executive as would have applied if the Executive's employment had not been terminated based on the Executive's elections in effect on the Date of Termination (the "***COBRA Payments***"), provided, however, that (A) if any plan pursuant to which such benefits are provided is not, or ceases prior to the expiration of the period of continuation coverage to be, exempt from the application of Section 409A (as defined below) under Treasury Regulation

Section 1.409A-1(a)(5), or (B) the Company is otherwise unable to continue to cover the Executive under its group health plans without incurring penalties (including without limitation, pursuant to Section 2716 of the Public Health Service Act or the Patient Protection and Affordable Care Act), then, in either case, an amount equal to each remaining Company subsidy shall thereafter be paid to the Executive in substantially equal monthly installments over the Benefits Continuation Period (or the remaining portion thereof).

(v) *Release. Notwithstanding the foregoing, it shall be a condition to the Executive's right to receive the amounts provided for in Sections 4(a) hereof, as applicable, that the Executive continue to comply with Executive's obligations under Sections 7 through 9 hereof and execute and deliver to the Company an effective release of claims in substantially the form attached hereto as Exhibit A (the "**Release**") within twenty-one (21) days (or, to the extent required by law, forty-five (45) days) following the Date of Termination and that the Executive not revoke such Release during any applicable revocation period.*

(b) For Cause, Without Good Reason or Other Terminations. If the Company terminates the Executive's employment for Cause, the Executive terminates the Executive's employment without Good Reason, or the Executive's employment terminates for any other reason not enumerated in Sections 4(a) or 4(b) hereof, in any case, during the Employment Period, the Company shall pay to the Executive the Accrued Obligations in cash within thirty (30) days after the Date of Termination (or by such earlier date as may be required by applicable law), and the Executive shall have no further rights hereunder. Notwithstanding the foregoing, in the event the Executive's termination is by reason of the Executive's death or Disability, Executive will be entitled, subject to the timely execution and non-revocation of a Release (as described above), Executive will be entitled to receive apro-rated portion (based on the number of days Executive was employed by the Company during the calendar year in which the date of Executive's termination occurs) of the Annual Bonus that Executive would have earned had Executive remained employed through the end of the calendar year in which Executive's Date of Termination occurs, as determined by the Board in good faith. If and to the extent earned, such pro-rated Annual Bonus shall be paid out at the same time annual bonuses are paid generally to other executives of the Company for the relevant year, less applicable withholdings and deductions (but in no event later than the end of the calendar year following the calendar year to which such Annual Bonus relates).

(c) Exclusive Benefits. Except as expressly provided in this Section 4 and subject to Section 5 hereof, the Executive shall not be entitled to any additional payments or benefits upon or in connection with the Executive's termination of employment. For the avoidance of doubt, all payments and benefits set forth in this Section 4 shall be subject the terms and conditions of Section 13(f).

5. Non-Exclusivity of Rights. Amounts which are vested benefits or which the Executive is otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Company at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement except as explicitly modified by this Agreement.

6. Excess Parachute Payments, Limitation on Payments.

(a) Best Pay Cap. Notwithstanding any other provision of this Agreement, in the event that any payment or benefit received or to be received by the Executive (including any payment or benefit received in connection with a termination of the Executive's employment, whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement) (all such payments and benefits, including the payments and benefits under Section 4 hereof, being hereinafter referred to as the "***Total Payments***") constitute parachute payments within the meaning of Section 280G of the Code and would be subject (in whole or part), to the excise tax imposed under Section 4999 of the Code (the "***Excise Tax***"), then, after

taking into account any reduction in the Total Payments provided by reason of Section 280G of the Code in such other plan, arrangement or agreement, the cash payments under this Agreement shall first be reduced, and the noncash payments hereunder shall thereafter be reduced, to the extent necessary so that no portion of the Total Payments is subject to the Excise Tax but only if (i) the net amount of such Total Payments, as so reduced (and after subtracting the net amount of federal, state and local income taxes on such reduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such reduced Total Payments) is greater than or equal to (ii) the net amount of such Total Payments without such reduction (but after subtracting the net amount of federal, state and local income taxes on such Total Payments and the amount of Excise Tax to which the Executive would be subject in respect of such unreduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such unreduced Total Payments).

(b) Certain Exclusions. For purposes of determining whether and the extent to which the Total Payments will be subject to the Excise Tax, (i) no portion of the Total Payments the receipt or enjoyment of which the Executive shall have waived at such time and in such manner as not to constitute a "payment" within the meaning of Section 280G(b) of the Code shall be taken into account; (ii) no portion of the Total Payments shall be taken into account which, in the written opinion of an independent, nationally recognized accounting or consulting firm (the "***Independent Advisors***") selected by the Company, does not constitute a "parachute payment" within the meaning of Section 280G(b)(2) of the Code (including by reason of Section 280G(b)(4)(A) of the Code) and, in calculating the Excise Tax, no portion of such Total Payments shall be taken into account which, in the opinion of the Independent Advisors, constitutes reasonable compensation for services actually rendered, within the meaning of Section 280G(b)(4)(B) of the Code, in excess of the "base amount" (as defined in Section 280G(b)(3) of the Code) allocable to such reasonable compensation; and (iii) the value of any non-cash benefit or any deferred payment or benefit included in the Total Payments shall be determined by the Independent Advisors in accordance with the principles of Sections 280G(d)(3) and (4) of the Code.

7. Restrictive Covenants and Confidentiality. The parties acknowledge and agree that (a) the provisions and covenants contained in Sections 7 through 9 hereof (i) are material to this Agreement, (ii) are provided for, among other things, the protection of the Company's trade secrets, confidential and commercially-sensitive information, client and customer relationships, goodwill and reputation (which is an honest and just purpose), (iii) are reasonable in geographic and temporal scope and (iv) do not impose a greater restriction or restraint than is necessary to protect the Company's trade secrets, confidential and commercially-sensitive information, client and customer relationships and contacts, goodwill, reputation and other legitimate business interests, (b) the Executive (i) is employed by the Company, (ii) has been and/or will be provided with confidential and commercially-sensitive information regarding the Company and its business during his or her employment and/or service with the Company, (iii) provides special, unique and extraordinary services to the Company, and (iv) is a member of the executive or management personnel of the Company and/or serves as professional staff to executive or management personnel of the Company, (c) the provisions of Sections 7 through 9 hereof do not adversely affect the Executive's ability to earn a living in any capacity, stifle the Executive's ability to use his or her inherent skills and experience, or otherwise impose undue hardship or oppression on the Executive, and (d) the Executive's continuation of employment under this Agreement, and the compensation and benefits described in this Agreement, constitute sufficient consideration for all of the Executive's covenants contained in Sections 7 through 9 hereof.

(a) Except as permitted by the Board, during the term of the Executive's employment and/or service with the Company and at all times thereafter, the Executive shall not divulge, furnish or make accessible to anyone or use in any way other than in the ordinary course of the business of the Company, any confidential, proprietary or secret knowledge or information of the Company or any of its affiliates, whether developed by the Executive or others, including but not limited to (i) trade secrets, (ii)

confidential and proprietary plans, developments, research, processes, designs, methods or material (whether or not patented or patentable), (iii) customer and supplier lists, (iv) strategic or other business, marketing or sales plans, (v) financial data and plans and (vi) Proprietary Information. "***Proprietary Information***" is defined as (i) the name, address and/or contact information of any customer, supplier or affiliate of the Company or any information concerning the transactions or relations of any customer, supplier or affiliate of the Company or any of its shareholders; (ii) any information concerning any product, service, technology or procedure offered or used by the Company or any of its affiliates, or under development by or being considered for use by the Company or any of its affiliates; (iii) any information relating to marketing or pricing plans or methods, capital structure, or any business or strategic plans of the Company or any of its affiliates; (iv) any inventions, innovations, trade secrets or other items covered by Section 8 below; and (v) any other information which the Company or any of its affiliates has determined and communicated to the Executive in writing to be proprietary information for purposes hereof; *provided*, *however*, that "Proprietary Information" shall not include any information that is or becomes generally known to the public other than through actions of the Executive in violation of the restrictive covenants set forth in Sections 7 through 9 hereof. The Executive acknowledges that the above-described knowledge and information constitute unique and valuable assets of the Company and represent a substantial investment of time and expense by the Company, and that any disclosure or other use of such knowledge or information other than for the sole benefit of the Company would be wrongful and would cause irreparable harm to the Company. During the term of the Executive's employment and/or service with the Company, the Executive shall refrain from any acts or omissions that would reduce the value of such knowledge or information to the Company. The foregoing obligations of confidentiality shall not apply to any knowledge or information that (x) is now or subsequently becomes generally publicly known for reasons other than the Executive's violation of this Agreement, (y) is independently made available to the Executive in good faith by a third party who has not violated a confidential relationship with the Company, or (z) is required to be disclosed by legal process, other than as a direct or indirect result of the breach of this Agreement by the Executive.

(b) If, during the Executive's employment and/or service with the Company, the Executive is engaged in or associated with the planning or implementing of any project, program or venture involving the Company, all rights in such project, program or venture shall belong to the Company, as applicable. Except as approved in writing by the Board, the Executive shall not be entitled to any interest in any such project, program or venture or to any commission, finder's fee or other compensation in connection therewith. The Executive shall have no interest, direct or indirect, in any customer or supplier that conducts business with the Company, provided that a passive investment of less than 2.5% of the outstanding shares of capital stock of any customer or supplier listed on a national securities exchange or publicly traded in the over-the-counter market shall not constitute a breach of this sentence.

8. Inventions and Proprietary Rights.

(a) All right, title and interest in all discoveries, inventions, improvements, innovations and other material that the Executive shall conceive or originate individually or jointly or commonly with others during the term of the Executive's employment and/or service with the Company (i) that are directly related to the business of the Company or to the Company's actual or demonstrably anticipated research or development, or that results from any work performed by the Executive for the Company, (ii) for which any equipment, supplies, facility or trade secret information of the Company was used and/or (iii) which was not developed entirely on the Executive's own time, whether or not patentable, copyrightable, or registrable as a trademark ("***Protectable Material***"), shall be the property of the Company and are hereby assigned by the Executive to the Company (and the Executive agrees to assign all Protectable Material to the Company in the future), along with ownership of any and all patents, copyrights, trademarks and other intellectual property rights in the Protectable Material. Upon request and without further compensation therefor, but at no expense to the Executive, the Executive shall execute any and all papers and perform all other acts necessary to assist the Company to obtain and register patents, copyrights, trademarks and other intellectual property rights on the Protectable Materials in any and all countries. Where applicable, works of authorship created by the Executive for the Company in performing the Executive's duties and responsibilities hereunder shall be considered "works made for hire," as defined in the U.S. Copyright Act.

(b) All trade secret information conceived or originated by the Executive that arises during the term of the Executive's employment and/or service with the Company and out of the performance of the Executive's duties and responsibilities to the Company or any related material or information shall be the property of the Company, and all rights therein are hereby assigned by the Executive to the Company.

(c) Notwithstanding the foregoing, the Executive understands that pursuant to the Defend Trade Secrets Act of 2016, the Executive shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

9. Non-Compete; Non-Solicitation; Non-Disparagement.

(a) During the term of the Executive's employment and/or service with the Company and during the18-month period following the date of termination thereof (the "***Restricted Period***"), regardless of the reason for such termination and regardless of whether the termination is initiated by the Company or Executive, the Executive shall not, directly or indirectly, engage in any manner or capacity (including without limitation as a proprietor, owner, principal, agent, partner, officer, director, employee, member of any association, consultant or otherwise) in any Company Business (as defined below) in the Territory (as defined below). For purposes of Sections 7 through 9 hereof, (i) "Company" means Life Time Group Holdings, Inc. and any parent, affiliated, related and/or direct or indirect subsidiary entity thereof, (ii) "Company Business" means (1) the design, development, operation, management, advertisement, promotion, solicitation, marketing or sale of health and fitness clubs or health and fitness club memberships, (2) any services, products or programs offered by health and fitness clubs, including but not limited to personal training, nutritional supplements; health testing or health assessments; wellness services or programs (whether direct to consumer or business to business); weight loss services or programs; kids activities; salons, spas, and medical spas; restaurants or cafes; athletic events and related services (including race timing and registration), and (3) any other product or service that grows into a material business for the Company (or is under development and is projected to grow into a material business for the Company) as of the Executive's Date of Termination, and (iii) "Territory" means the United States, Canada and any other country in which the Company is then doing Company Business as of the Executive's Date of Termination, and (iii) "Territory" means the United States, Canada and any other country in which the Company is then doing Company Business as of the Executive's Termination of Services Date. Ownership by the Executive, as a passive investment, of less than 2.5% of the outstanding shares of capital stock of any corporation listed on a national securities exchange or publicly traded in the over-the-counter market shall not constitute a breach of this Section 9(a).

(b) During the term of the Executive's employment and/or service with the Company and during the Restricted Period, regardless of the reason for such termination and regardless of whether the termination is initiated by the Company or Executive, the Executive shall not, in any manner or capacity (including without limitation as a proprietor, owner, principal, agent, partner, officer, director, stockholder, employee, member of any association, consultant or otherwise), directly or indirectly, hire, engage or solicit for the purpose of employing or otherwise engaging any person who is then an employee of the Company or who was an employee of the Company as of the Executive's date of termination or at any time in the six-month period prior to such hiring, engagement or solicitation.

(c) During the term of the Executive's employment and/or service with the Company and during the Restricted Period, regardless of the reason for such termination and regardless of whether the termination is initiated by the Company or Executive, the Executive shall not, in any manner or capacity (including without limitation as a proprietor, owner, principal, agent, partner, officer, director, stockholder, employee, member of any association, consultant or otherwise), directly or indirectly, solicit, request, advise or induce any current or potential customer, member, supplier or other business contact of the Company to cancel, curtail or otherwise change its relationship with the Company.

(d) The Executive will not malign, defame or disparage the reputation, character, image, products or services of the Company or any of its affiliates, or the reputation or character of the Company's or any of its affiliates' then-current directors or officers or any direct reports of Executive as of immediately prior to the Executive's date of termination, provided that nothing in this Section 9(d) shall be construed to limit or restrict Executive from taking any action that Executive in good faith reasonably believes is necessary to fulfill Executive's fiduciary obligations to the Company, or from providing truthful information in connection with any legal proceeding, government investigation or other legal matter. The Company shall instruct its then-current executive officers and directors as of the Executive's date of termination not to malign, defame or disparage the reputation or image of Executive, provided that nothing in this Section 9(d) shall be construed to limit or restrict such officers and directors from taking any action that they in good faith reasonably believes is necessary to fulfill their fiduciary obligations to the Company, or from providing truthful information in connection with any legal proceeding, government investigation or other legal matter.

(e) The Executive shall inform any prospective or future employer of any and all restrictions contained in this Agreement and provide such employer with a copy of such restrictions (but no other terms of this Agreement) prior to the commencement of that employment.

10. Enforcement. If the duration of, the scope of or any business activity covered by any provision of Sections 7 through 9 hereof is found by a court of competent jurisdiction to be in excess of what is valid and enforceable under applicable law, such provision shall be construed to cover only that duration, scope or activity that is valid and enforceable, and all other provisions of Sections 7 through 9 shall remain in full force and effect. The Executive hereby acknowledges that Sections 7 through 9 hereof shall be given the construction that renders the provisions valid and enforceable to the maximum extent, not exceeding their express terms, possible under applicable law. Notwithstanding anything to the contrary, the foregoing sentences of this Section 10 shall in no event apply to the extent their application would render Sections 7 through 9 hereof (or any portion thereof) unenforceable under applicable law. The Executive acknowledges that the provisions of Sections 7 through 9 hereof are reasonable and necessary to protect the legitimate interests of the Company, and that any violation of those provisions by the Executive would cause real, immediate, substantial and irreparable harm to the Company to such an extent that monetary damages alone would be an inadequate remedy therefor. Therefore, in the event of any actual or threatened breach of any provision of Sections 7 through 9 hereof, the Company shall, in addition to any other remedies it may have, be entitled to injunctive and other equitable relief to enforce such provisions and to restrain the Executive from violating or continuing to violate such provisions, and such relief may be granted without the necessity of proving actual monetary damages or posting bond. The Executive agrees that the Restricted Period shall be tolled, and shall not run, during any period of time in which he or she is in violation of the terms of Section 9(a), 9(b) or 9(c), in order that the Company and its affiliates shall have all of the agreed-upon temporal protection recited herein. No breach of any provision of this Agreement by the Company, or any other claimed breach of contract or violation of law, or change in the nature or scope of the Executive's employment and/or service relationship with the Company, shall operate to extinguish the Executive's obligation to comply with Sections 7 through 9 hereof. The Company (including, without limitation, its affiliates) are third party beneficiaries under this Agreement and shall have the right to enforce all of the Executive's obligations to the Company under this Agreement, including without limitation

pursuant to Sections 7 through 9 hereof, and the Company shall be entitled to assign its rights under Sections 7 through 9 hereof without the Executive's consent and any such assignees shall have the right to enforce all of the Executive's obligations to comply with Sections 7 through 9 hereof. The Executive covenants and agrees that he or she has received adequate consideration for his or her obligations contained in Sections 7 through 9 hereof, and will not take the position that the covenants contained in Sections 7 through 9 hereof are void for lack of consideration. The Executive will be responsible for any and all attorneys' fees and costs the Company incurs in enforcing the Executive's obligations contained in Sections 7 through 9 hereof.

11. Representations. The Executive hereby represents and warrants to the Company that (a) the Executive is entering into this Agreement voluntarily and that the performance of the Executive's obligations hereunder will not violate any agreement between the Executive and any other person, firm, organization or other entity, and (b) the Executive is not bound by the terms of any agreement with any previous employer or other party to refrain from competing, directly or indirectly, with the business of such previous employer or other party that would be violated by the Executive's entering into this Agreement and/or providing services to the Company pursuant to the terms of this Agreement.

12. Successors. This Agreement is personal to the Executive and, without the prior written consent of the Company, shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives. This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

13. Miscellaneous.

(a) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado, without reference to principles of conflict of laws. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect.

(b) Compensation Recovery Policy. Executive acknowledges and agrees that, to the extent the Company adopts any claw-back or similar policy pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act or otherwise, and any rules and regulations promulgated thereunder, he or she shall take all action necessary or appropriate to comply with such policy (including, without limitation, entering into any further agreements, amendments or policies necessary or appropriate to implement and/or enforce such policy with respect to past, present and future compensation, as appropriate).

(c) Whistleblower Protections and Trade Secrets. Notwithstanding anything to the contrary contained herein, nothing in this Agreement prohibits Executive from reporting possible violations of federal law or regulation to any United States governmental agency or entity in accordance with the provisions of and rules promulgated under Section 21F of the Securities Exchange Act of 1934 or Section 806 of the Sarbanes-Oxley Act of 2002, or any other whistleblower protection provisions of state or federal law or regulation (including the right to receive an award for information provided to any such government agencies). Furthermore, in accordance with 18 U.S.C. § 1833, notwithstanding anything to the contrary in this Agreement: (i) Executive shall not be in breach of this Agreement, and shall not be held criminally or civilly liable under any federal or state trade secret law (A) for the disclosure of a trade secret that is made in confidence to a federal, state, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law, or (B) for the disclosure of a trade secret that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; and (ii) if Executive files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Executive may disclose the trade secret to Executive's attorney, and may use the trade secret information in the court proceeding, if Executive files any document containing the trade secret under seal, and does not disclose the trade secret, except pursuant to court order.

(d) Notices. All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive: at the Executive's most recent address on the records of the Company.

If to the Company:

Life Time Fitness, Inc.
2902 Corporate Place
Chanhassen, MN 55317
Attention: Executive Vice President & Chief Administrative Officer

with a copy to:

Latham & Watkins LLP
1271 Avenue of the Americas
New York, NY 10020
Attn: Austin Ozawa

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notice and communications shall be effective when actually received by the addressee.

(e) Sarbanes-Oxley Act of 2002. Notwithstanding anything herein to the contrary, if the Company determines, in its good faith judgment, that any transfer or deemed transfer of funds hereunder is likely to be construed as a personal loan prohibited by Section 13(k) of the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder (the "***Exchange Act***"), then such transfer or deemed transfer shall not be made to the extent necessary or appropriate so as not to violate the Exchange Act and the rules and regulations promulgated thereunder.

(f) Section 409A of the Code.

(i) To the extent applicable, this Agreement shall be interpreted in accordance with Section 409A of the Code and Department of Treasury regulations and other interpretive guidance issued thereunder (together, "***Section 409A***"). Notwithstanding any provision of this Agreement to the contrary, if the Company determines that any compensation or benefits payable under this Agreement may be subject to Section 409A, the Company shall work in good faith with the Executive to adopt such amendments to this Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Company determines are necessary or appropriate to avoid the imposition of taxes under Section 409A, including without limitation, actions intended to (i) exempt the compensation and benefits payable under this Agreement from Section 409A, and/or (ii) comply with the requirements of Section 409A; provided, however, that this Section 13(f) shall not create an obligation on the part of the Company to adopt any such amendment, policy or procedure or take any such other action, nor shall the Company have any liability for failing to do so.

(ii) Any right to a series of installment payments pursuant to this Agreement is to be treated as a right to a series of separate payments. To the extent permitted under Section 409A, any separate payment or benefit under this Agreement or otherwise shall not be deemed "nonqualified deferred compensation" subject to Section 409A to the extent provided in the exceptions in Treasury Regulation Section 1.409A-1(b)(4), Section 1.409A-1(b)(9) or any other applicable exception or provision of Section 409A. Any payments subject to Section 409A that are subject to execution of a waiver and release which

may be executed and/or revoked in a calendar year following the calendar year in which the payment event (such as termination of employment) occurs shall commence payment only in the calendar year in which the consideration period or, if applicable, release revocation period ends, as necessary to comply with Section 409A. All payments of nonqualified deferred compensation subject to Section 409A to be made upon a termination of employment under this Agreement may only be made upon Executive's Separation from Service (as defined below) from the Company.

(iii) Notwithstanding anything to the contrary in this Agreement, no compensation or benefits, including without limitation any severance payments or benefits payable under Section 4 hereof, shall be paid to the Executive during the six (6)-month period following the Executive's "separation from service" from the Company (within the meaning of Section 409A, a "***Separation from Service***") if the Company determines that at the time of Executive's Separation from Service that Executive is a "specified employee" for purposes of Section 409A and paying such amounts at the time or times indicated in this Agreement would be a prohibited distribution under Section 409A(a)(2)(B)(i) of the Code. If the payment of any such amounts is delayed as a result of the previous sentence, then on the first day of the seventh month following the date of Separation from Service (or such earlier date upon which such amount can be paid under Section 409A without resulting in a prohibited distribution, including as a result of the Executive's death), the Company shall pay the Executive a lump-sum amount equal to the cumulative amount that would have otherwise been payable to the Executive during such period.

(iv) To the extent that any payments or reimbursements provided to the Executive under this Agreement are deemed to constitute compensation to the Executive to which Treasury Regulation Section 1.409A-3(i)(1)(iv) would apply, such amounts shall be paid or reimbursed reasonably promptly, but not later than December 31 of the year following the year in which the expense was incurred. The amount of any such payments eligible for reimbursement in one year shall not affect the payments or expenses that are eligible for payment or reimbursement in any other taxable year, and the Executive's right to such payments or reimbursement of any such expenses shall not be subject to liquidation or exchange for any other benefit.

(g) Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(h) Withholding. The Company may withhold from any amounts payable under this Agreement such federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(i) No Waiver. The Executive's or the Company's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right the Executive or the Company may have hereunder shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

(j) Entire Agreement. As of the Effective Date, this Agreement constitutes the final, complete and exclusive agreement between the Executive and the Company with respect to the subject matter hereof and replaces and supersedes any and all other agreements, offers or promises, whether oral or written, by any member of the Company and its subsidiaries or affiliates, or representative thereof, including without limitation Prior Agreement; provided that nothing herein replaces or supersedes any non -disclosure,non-competition, non-solicitation or other similar agreement between the Company (or any subsidiaries thereof) and the Executive in effect on the Effective Date, each of which shall remain in full force and effect.

(k) Amendment. No amendment or other modification of this Agreement shall be effective unless made in writing and signed by the parties hereto.

(l) Counterparts. This Agreement and any agreement referenced herein may be executed simultaneously in two or more counterparts, each of which shall be deemed an original but which together shall constitute one and the same instrument. A facsimile, PDF (or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g. www.docusign.com) or any other type of copy of an executed version of this Agreement signed by a party is binding upon the signing party to the same extent as the original of the signed agreement.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Executive has hereunto set the Executive's hand and, pursuant to the authorization from the Board, the Company has caused these presents to be executed in its name on its behalf, all as of the day and year first above written.

LIFE TIME GROUP HOLDINGS, INC.

By: /s/ Bahram Akradi
Name: Bahram Akradi
Title: Chief Executive Officer

EXECUTIVE

/s/ Thomas E. Bergmann
Thomas E. Bergmann

EXHIBIT A

Form of Release Agreement

This General Release of Claims (this "***Release***") is made by Thomas E. Bergmann ("***Executive***") in favor of Life Time Group Holdings, Inc., a Delaware corporation (the "***Company***") and the "***Releasees***" (as defined below), as of the date of Executive's execution of this Release.

1. Release by Executive. In exchange for the benefits set forth in the certain Employment Agreement entered into by and between the Company and Executive, dated as of September 13, 2021, (the "***Agreement***") to which this Release is an exhibit, which are conditioned on Executive signing this Release, and to which Executive is not otherwise entitled, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Executive, his heirs, executors, administrators, beneficiaries, representatives, assigns and successors, and all others connected with or claiming through Executive, fully and forever agree to release and discharge the Company and the Company's parent and subsidiary corporations, and all of their respective past, present and future employee benefit plans, joint venturers, predecessors, successors, assigns, employees, officers, directors, shareholders, administrators, trustees, agents, representatives, and consultants, and all those connected with any of them, in their official and personal capacities (hereinafter the "***Releasees***") from any and all manner of claims, liabilities and actions, causes of action, in law or in equity, demands, suits, rights, or damages of any kind or nature, whether known or unknown, fixed or contingent (hereinafter called "***Claims***"), that Executive now has or may hereafter have against the Releasees arising out of, connected with or relating to Executive's employment by the Company and/or other relationship with the Company, or the termination of Executive's employment and/or other relationship, by reason of any and all acts, omissions, events or facts occurring or existing prior to Executive's execution of this Release. The Claims released hereunder, including without limitation, any claim of wrongful discharge, breach of contract, breach of the covenant of good faith and fair dealing, violation of public policy, defamation, discrimination, personal injury, physical injury, emotional distress, claims under the Age Discrimination in Employment Act, as amended, 29 U.S.C. § 621 et seq. ("***ADEA***"); the Older Workers' Protection Benefit Act of 1990; Title VII of the Civil Rights Act of 1964, as amended, by the Civil Rights Act of 1991, 42 U.S.C. § 2000 et seq.; Equal Pay Act, as amended, 29 U.S.C. § 206(d); the Civil Rights Act of 1866, 42 U.S.C. § 1981; the Family and Medical Leave Act of 1993, 29 U.S.C. § 2601 et seq.; the Americans with Disabilities Act of 1990, 42 U.S.C. § 12101 et seq.; the False Claims Act, 31 U.S.C. § 3729 et seq.; the Employee Retirement Income Security Act, as amended, 29 U.S.C. § 1001 et seq.; the Worker Adjustment and Retraining Notification Act ("***WARN***"), as amended, 29 U.S.C. § 2101 et seq.; the Fair Labor Standards Act, 29 U.S.C. § 215 et seq.; and any federal, state or local laws of similar effect.

2. Claims Not Released. This Release shall not apply to: the Company's obligations to provide the separation benefits under Section 4 of the Agreement; Executive's right to bring any action to enforce the terms of same or of this Release; Executive's right to indemnification under any applicable indemnification policy of the Company, including without limitation, any general liability or "directors and officers" insurance policy, any shareholders or other agreement with the Company (including pursuant to any individual indemnification agreement), the Company's governing documents or applicable law; Executive's right to assert claims for workers' compensation or unemployment benefits; Executive's right to bring to the attention of the Equal Employment Opportunity Commission ("***EEOC***") or any analogous state agency claims of discrimination, harassment or retaliation (provided, however, that Executive hereby agrees to waive Executive's right to recover monetary damages or other individual relief in any such charge, investigation or proceeding or any related complaint or lawsuit filed by Executive or anyone else on Executive's behalf), to the extent required by law; any right to communicate directly with, cooperate with, or provide information to, any federal, state or local government regulator; any right to file an unfair labor

practice charge under the National Labor Relations Act ("***NLRA***"); Executive's vested rights under any retirement or welfare benefit plan of the Company; any rights Executive may have to benefits under the Company's standard benefit programs; Executive's rights in his or her capacity as an equity holder of the Company; Executive's right to receive payment for accrued salary and any earned but unpaid Annual Bonus with respect to the year prior to the year in which Executive's date of termination of employment occurs for services rendered through Executive's last day of employment, and reimbursement for travel and business expenses properly incurred prior to the separation date, but unreimbursed; or any other rights that may not be waived by an employee under applicable law.

3. Older Worker's Benefit Protection Act. In accordance with the Older Worker's Benefit Protection Act, Executive is hereby advised as follows:

(a) Executive has read this Release and understands its terms and effect, including the fact that Executive is agreeing to release and forever discharge the Company and each of the Releasees from any Claims released in this Release.

(b) Executive understands that, by entering into this Release, Executive does not waive any Claims that may arise after the date of Executive's execution of this Release, including without limitation any rights or claims that Executive may have to secure enforcement of the terms and conditions of this Release.

(c) Executive has signed this Release voluntarily and knowingly in exchange for the consideration described in this Release, which Executive acknowledges is adequate and satisfactory to Executive and in addition to any other benefits to which Executive is otherwise entitled.

(d) The Company advises Executive to consult with an attorney prior to executing this Release.

(e) Executive has [twenty-one (21) days] [forty-five (45) days)][1] to review and decide whether or not to sign this Release. If Executive signs this Release prior to the expiration of such period, Executive acknowledges that Executive has done so voluntarily, had sufficient time to consider the Release, to consult with counsel and that Executive does not desire additional time and hereby waives the remainder of the [twenty-one (21)] [forty-five (45)] day period. In the event of any changes to this Release, whether or not material, Executive waives the restarting of the [twenty-one (21)] [forty-five (45) day] period.

(f) Executive has seven (7) days after signing this Release to revoke this Release and this Release will become effective upon the expiration of that revocation period. If Executive revokes this Release during such seven (7)-day period, this Release will be null and void and of no force or effect on either the Company or Executive and Executive will not be entitled to any of the payments or benefits which are expressly conditioned upon the execution and non-revocation of this Release.

If Executive wishes to revoke this Release, Executive shall deliver written notice stating his or her intent to revoke this Release to [NAME, OFFICER TITLE, DEPARTMENT, ADDRESS], on or before 5:00 p.m. on the seventh (7th) day after the date on which Executive signs this Release.

4. Representations.

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[1] Include instead of twenty-one days in this paragraph (e) if termination is part of a group termination/layoff.

(a) Executive represents and warrants that there has been no assignment or other transfer of any interest in any Claim which he or she may have against Releasees, or any of them, based on actions occurring prior to the date of this Agreement.

(b) Executive represents that, as of the date of execution of this Release, he has not filed any lawsuits, charges, complaints, petitions, administrative claims or other accusatory pleadings in any court or with any governmental agency against any of the Releasees.

5. Exceptions. Notwithstanding anything in this Release to the contrary, nothing contained in this Release shall prohibit Executive (or Executive's attorney) from (i) filing a charge with, reporting possible violations of federal law or regulation to, participating in any investigation by, or cooperating with the U.S. Securities and Exchange Commission ("***SEC***"), the Financial Industry Regulatory Authority, the EEOC, the NLRB, the Occupational Safety and Health Administration, the U.S. Commodity Futures Trading Commission, the U.S. Department of Justice or any other securities regulatory agency, self-regulatory authority or federal, state or local regulatory authority (collectively, "***Government Agencies***"), or making other disclosures that are protected under the whistleblower provisions of applicable law or regulation, (ii) communicating directly with, cooperating with, or providing information (including trade secrets) in confidence to any Government Agencies for the purpose of reporting or investigating a suspected violation of law, or from providing such information to Executive's attorney or in a sealed complaint or other document filed in a lawsuit or other governmental proceeding, and/or (iii) receiving an award for information provided to any Government Agency. Pursuant to 18 USC Section 1833(b), Executive will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made: (x) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (y) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Further, nothing in this Release is intended to or shall preclude Executive from providing truthful testimony in response to a valid subpoena, court order, regulatory request or other judicial, administrative or legal process or otherwise as required by law.

6. Miscellaneous.

(a) *Severability*. If any sentence, phrase, section, subsection or portion of this Release is found to be illegal or unenforceable, such action shall not affect the validity or enforceability of the remaining sentences, phrases, sections, subsections or portions of this Release, which shall remain fully valid and enforceable.

(b) *Headings*. The headings in this Release are provided solely for convenience, and are not intended to be part of, nor to affect or alter the interpretation or meaning of, this Release.

(c) *Construction of Agreement.* Executive has been represented by, or had the opportunity to be represented by, counsel in connection with the negotiation and execution of this Release. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in the construction or interpretation of this Release.

(d) *Entire Agreement/Integration.* This Release, together with the Agreement, constitutes the entire agreement between Executive and the Company concerning the subject matter hereof. No covenants, agreements, representations, or warranties of any kind, other than those set forth herein, have been made to any party hereto with respect to this Release. All prior discussions and negotiations have been and are merged and integrated into, and are superseded by, this Release. No amendments to this Release will be valid unless written and signed by Executive and an authorized representative of the Company.

Sign only on or within [twenty-one (21)][forty-five (45) days] after [DATE]

[EXECUTIVE]

Date: _____

_____

[NAME]

Exhibit 10.29

Execution Version

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "***Agreement***"), entered into as of September 13, 2021 is made by and between Life Time Group Holdings, Inc. ("***Life Time***", and together with any of its subsidiaries and affiliates as may employ Executive from time to time, and any successor(s) thereto, the "***Company***" (except as set forth in Section 9(a)) and Eric J. Buss (the "***Executive***") (collectively referred to herein as the "***Parties***"). This Agreement shall be effective as of the date of closing of the initial public offering of the Company (or such other date mutually agreed in writing between the parties) (such date, the "***Effective Date***"). If the initial public offering of the Company does not occur on or prior to January 1, 2022, this Agreement will be void *ab initio.*

WHEREAS, the Executive is currently employed by the Company as its Executive Vice President & Chief Administrative Officer pursuant to the terms of that certain Executive Employment Agreement by and between the Parties, dated as of October 2016, as subsequently amended (the "***Prior Agreement***");

WHEREAS, it is the desire of the Company to continue to assure itself of the services of Executive following the Effective Date upon the terms and conditions of this Agreement, which replaces and supersedes the Prior Agreement; and

WHEREAS, the Executive desires to provide services to the Company on the terms herein provided.

NOW, THEREFORE, in consideration of the promises and the mutual agreements and covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Company and Executive, the parties agree as follows:

1. Employment Period. Subject to the provisions for earlier termination hereinafter provided, the initial term of the Executive's employment hereunder shall be for a term (the "***Initial Employment Period***") commencing on the Effective Date and ending on the third anniversary of the Effective Date. The Initial Employment Period shall automatically be extended for successive one-year periods (each, an "***Extension Employment Period***" and, together with the Initial Employment Period, the "***Employment Period***"), unless either Party gives written notice ofnon-extension to the other no later than ninety (90) days prior to the expiration of the then-applicable Employment Period, in which case Executive's employment will terminate at the end of the then-applicable Employment Period, subject to earlier termination as provided in Section 3 below.

2. Terms of Employment.

(a) Position and Duties.

(i) Role and Responsibilities. During the Employment Period, the Executive shall serve as Executive Vice President & Chief Administrative Officer of Life Time, and shall perform such employment duties as are usual and customary for such positions (subject to Section 3(d)(i)). The Executive shall report directly to the Chief Executive Officer of Life Time (or his or her designee). Executive will use Executive's best efforts to promote the interests, prospects and condition (financial and otherwise) and welfare of the Company and shall perform Executive's fiduciary duties and responsibilities to the Company to the best of Executive's ability in a diligent, trustworthy, businesslike and efficient manner. Executive agrees that Executive will observe and comply with the Company's rules and policies as adopted by the Company and in effect from time to time. At the Company's request, the Executive shall serve the Company and/or its subsidiaries and affiliates in other capacities in addition to

the foregoing, consistent with the Executive's position as Executive Vice President & Chief Administrative Officer of Life Time. In the event that the Executive, during the Employment Period, serves in any one or more of such additional capacities, the Executive's compensation shall not be increased beyond that specified in Section 2(b) hereof. In addition, in the event the Executive's service in one or more of such additional capacities is terminated, the Executive's compensation, as specified in Section 2(b) hereof, shall not be diminished or reduced in any manner as a result of such termination provided that the Executive otherwise remains employed under the terms of this Agreement.

(ii) Exclusivity. During the Employment Period, and excluding any periods of vacation and sick leave to which the Executive may be entitled, the Executive agrees to devote his or her full business time and attention to the business and affairs of the Company. Executive shall not engage in outside business activities (including serving on outside boards or committees) without the prior written consent of the Board of Directors of Life Time (the "***Board***") (which shall not be unreasonably withheld);*provided* that Executive shall be permitted to (i) manage Executive's personal, financial and legal affairs, (ii) participate in trade associations and charitable and community affairs and (iii) serve on one outside board of directors or advisory board, subject to the prior written consent of the Company's Chief Executive Officer, in each case, to the extent such actions do not result in any violation of Sections 7 through 9.

(iii) Principal Location. During the Employment Period, the Executive shall perform the services required by this Agreement at the Company's principal offices located in Chanhassen, Minnesota or such other location mutually agreed upon by the Company and the Executive (the "***Principal Location***"), except for travel to other locations as may be necessary or appropriate to fulfill the Executive's duties and responsibilities hereunder.

(b) Compensation, Benefits, Etc. Subject to Section 3(d)(i):

(i) Base Salary. During the Employment Period, the Executive shall receive a base salary (the "***Base Salary***") of $750,000 per annum. The Base Salary shall be subject to review from time to time by the Board or its delegate in its discretion. The Base Salary shall be paid in accordance with the Company's normal payroll practices.

(ii) Annual Cash Bonus. In addition to the Base Salary, the Executive shall be eligible to earn, for each fiscal year of the Company ending during the Employment Period commencing in fiscal year 2022, a discretionary cash performance bonus (an "***Annual Bonus***") under the Company's bonus plan or program applicable to senior executives. The Executive's target Annual Bonus shall be set at 67% of the Base Salary actually paid for such year (the "***Target Bonus***"). The actual amount of any Annual Bonus shall be determined by reference to the attainment of Company performance metrics and/or individual performance objectives, in each case, as determined by the Board or the Compensation Committee or similar committee in its discretion, and may be greater or less than the Target Bonus. Subject to Section 4(a) hereof, payment of any Annual Bonus(es), to the extent any Annual Bonus(es) become payable, will be made at the same time bonuses are paid to other similarly-situated executives of the Company generally, contingent upon the Executive's continued employment through the applicable payment date.

(iii) Benefits. During the Employment Period, the Executive (and the Executive's spouse and/or eligible dependents to the extent provided in the applicable plans and programs) shall be eligible to participate in and be covered under the health and welfare benefit plans and programs maintained by the Company for the benefit of its employees from time to time, subject to the terms of such plans and programs including any medical and dental insurance plans and programs. In addition, during the Employment Period, Executive shall be eligible to participate in any retirement, savings and other employee benefit plans and programs maintained from time to time by the Company for the benefit of its senior executive officers generally. Notwithstanding the foregoing, nothing contained in this Section 2(b)(iii) shall create or be deemed to create any obligation on the part of the Company to adopt or maintain any health, welfare, retirement or other benefit plan or program at any time or to create any limitation on the Company's ability to modify or terminate any such plan or program.

(iv) Expenses. During the Employment Period, the Executive shall be entitled to receive reimbursement for all reasonable business expenses incurred by the Executive in accordance with the policies, practices and procedures of the Company.

(v) Vacation. During the Employment Period, the Executive shall be entitled to paid vacation in accordance with the plans, policies, programs and practices of the Company applicable to its senior executives in effect from time to time.

(vi) Equity Awards. During the Employment Period, Executive will be eligible to participate in the Company's equity incentive plan then in effect and receive equity awards thereunder, as determined by the Board or the Compensation Committee (or similar committee) of the Board in its sole discretion and subject to the terms of the Company's equity incentive plan then in effect and an applicable award agreement.

3. Termination of Employment.

(a) Death or Disability. The Executive's employment shall terminate automatically upon the Executive's death during the Employment Period. Either the Company or the Executive may terminate the Executive's employment in the event of the Executive's Disability during the Employment Period. For purposes of this Agreement, "***Disability***" shall mean: Executive's inability to perform on a full-time basis the duties and responsibilities of Executive's employment with the Company by reason of Executive's illness or other physical or mental impairment or condition, as determined by a physician mutually acceptable to Executive and the Company, if such inability continues for an uninterrupted period of 90 days or more during any 365-day period. A period of inability shall be "uninterrupted" unless and until Executive returns to full-time work from the above-referenced leave for a continuous period of at least 180 days, excluding vacation days or sick days taken for reasons unrelated to the illness or other physical or mental impairment or condition necessitating the above-referenced leave.

(b) Termination by the Company. The Company may terminate the Executive's employment during the Employment Period for Cause or without Cause. For purposes of this Agreement, "***Cause***" shall mean the occurrence of any one or more of the following events unless, to the extent capable of correction, the Executive fully corrects the circumstances constituting Cause within thirty (30) days after receipt of the Notice of Termination (as defined below):

(i) repeated and willful or grossly negligent failure to perform the Executive's material duties on behalf of the Company;

(ii) the Executive's willful or grossly negligent violation of any material Company rule, procedure or policy, or breach of any non-disclosure, non-competition, non-solicitation or other similar agreement between the Company (or any subsidiaries thereof) and the Executive;

(iii) the Executive's plea of *nolo contendere* to, or conviction of a felony, a crime of moral turpitude or a misdemeanor involving fraud or dishonesty (other than minor traffic violations or similar offenses) or that could reasonably be expected to result in material harm, whether business, financial, reputational or otherwise, to the Company or its subsidiaries;

(iv) the perpetration of any act of fraud, embezzlement or material dishonesty against or affecting the Company, any of its subsidiaries, or any customer, agent or employee thereof;

(v) material breach of fiduciary duty or material breach of this Agreement (or any other written agreement by and between the Executive and the Company) by Executive;

(vi) repeated insolent or abusive conduct in the workplace, including but not limited to, harassment of others of a racial or sexual nature; or

(vii) engaging in any act of material self-dealing without prior notice to and consent by the Board.

(c) Termination by the Executive. The Executive's employment may be terminated by the Executive for any reason, including with Good Reason or by the Executive without Good Reason. For purposes of this Agreement, "***Good Reason***" shall mean the occurrence of any one or more of the following events without the Executive's prior written consent, unless the Company fully corrects the circumstances constituting Good Reason (provided such circumstances are capable of correction) as provided below:

(i) The Company has breached any material term(s) or material condition(s) of this Agreement;

(ii) A requirement imposed by the Company on the Executive that Executive's principal place of employment be anywhere other than within a 75 mile radius of the Executive's Principal Location, and the relocation results in a material change to the geographic location at which the Executive performs services;

(iii) A material reduction in the Executive's Base Salary or Target Bonus as then in effect, other than in connection with an across-the-board reduction affecting other similarly situated executives of the Company or as otherwise contemplated by Section 3(d)(i); or

(iv) The Company has assigned duties and responsibilities to Executive that are materially inconsistent with Executive's position, duties or responsibilities as set forth in this Agreement, such that there occurs a material reduction in Executive's duties, responsibilities or authority as set forth in this Agreement, other than as contemplated by Section 3(d)(i).

Notwithstanding the foregoing, the Executive will not be deemed to have resigned for Good Reason unless (1) the Executive provides the Company with written notice setting forth in reasonable detail the facts and circumstances claimed by the Executive to constitute Good Reason within ninety (90) days after the date of the occurrence of any event that the Executive knows or should reasonably have known to constitute Good Reason, (2) the Company fails to cure such acts or omissions within thirty (30) days following its receipt of such notice, and (3) the effective date of the Executive's termination for Good Reason occurs no later than thirty (30) days after the expiration of the Company's cure period.

(d) Notice of Suspension or Termination.

(i) Notwithstanding anything to the contrary herein, in the event of the Executive's arrest or indictment for a felony, crime or misdemeanor described in Section 3(b)(iii), the Company shall have the right (but not obligation) to suspend the Executive without compensation of any kind until such time as either (A) a court of competent jurisdiction makes a final determination as to the Executive's guilt or innocence or (B) the Executive pleads *nolo contendere* to such alleged such felony or crime; provided that, if the court makes a final determination that the Executive should be acquitted of such felony or crime, the Company shall either (x) reinstate the Executive and pay to the Executive the amount of Base Salary that was withheld pursuant to this Section 3(d)(i) within 30 days following such reinstatement, or (y) terminate the Executive's employment pursuant to Section 3(b) and pay any severance required in accordance with Section 4. For the avoidance of doubt, the Company retains the right to terminate the Executive's employment with the Company at any time during or following such period of suspension pursuant to Section 3(b).

(ii) Any termination by the Company for Cause, or by the Executive for Good Reason, shall be communicated by a Notice of Termination to the other parties hereto given in accordance with Section 13(d) hereof. For purposes of this Agreement, a "***Notice of Termination***" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated and (iii) if the Date of Termination (as defined below) is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than thirty (30) days after the giving of such notice). The failure by the Executive or the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason or Cause shall not waive any right of the Executive or the Company, respectively, hereunder or preclude the Executive or the Company, respectively, from asserting such fact or circumstance in enforcing the Executive's or the Company's rights hereunder.

(e) Termination of Offices and Directorships; Return of Property. Upon termination of the Executive's employment for any reason, unless otherwise specified in a written agreement between the Executive and the Company, the Executive shall be deemed to have resigned from all offices, directorships, and other employment positions if any, then held with the Company, and shall take all actions reasonably requested by the Company to effectuate the foregoing. In addition, upon the termination of the Executive's employment for any reason, the Executive agrees to return to the Company all documents of the Company and its affiliates (and all copies thereof) and all other Company or Company affiliate property that the Executive has in his or her possession, custody or control. Such property includes, without limitation: (i) any materials of any kind that the Executive knows contain or embody any proprietary or confidential information of the Company or an affiliate of the Company (and all reproductions thereof), (ii) computers (including, but not limited to, laptop computers, desktop computers and similar devices) and other portable electronic devices (including, but not limited to, tablet computers), cellular phones/smartphones, credit cards, phone cards, entry cards, identification badges and keys, and (iii) any correspondence, drawings, manuals, letters, notes, notebooks, reports, programs, plans, proposals, financial documents, or any other documents concerning the customers, business plans, marketing strategies, products and/or processes of the Company or any of its affiliates and any information received from the Company or any of its affiliates regarding third parties.

4. Obligations of the Company upon Termination. Upon a termination of the Executive's employment for any reason, the Executive shall be entitled to receive, in a single lump-sum payment, (i) the aggregate amount of the Executive's earned but unpaid Base Salary, (ii) any unpaid Annual Bonus earned by Executive for the year prior to the year in which the Date of Termination occurs, (iii) reimbursement of expenses to which Executive is entitled and (iv) any other benefits to which Executive is legally entitled (collectively, the "***Accrued Obligations***").

(a) Without Cause, For Good Reason or Due to Company Non-Extension. If the Executive's employment with the Company is terminated (1) during the Employment Period (x) by the Company without Cause (other than by reason of the Executive's death or Disability) or due to the Company's non-extension of the Employment Period or (y) by the Executive for Good Reason or (2) at the end of the Employment Period due to the Company's non-extension of the Employment Period (in either case, a "***Qualifying Termination***"), then following the date of such termination of employment (such date, the "***Date of Termination***"), in addition to the Accrued Obligations:

(i) *Target Compensation Continuation*. The Company shall continue to pay to the Executive an amount equal to 50% of the sum of the Executive's (1) Base Salary and (2) Target Bonus in effect as of the Date of Termination (the amount of such sum, the "***Total Target Compensation***"), but not to exceed a maximum amount of two times the lesser of: (x) the Code § 401(a)(17) compensation limit for the year in which the Date of Termination occurs; or (y) the sum of Executive's annualized compensation based upon the annual rate of pay for services provided to the Company for the calendar year prior to the calendar year in which the Date of Termination occurs (adjusted for any increase during that year that was expected to continue indefinitely) (the "***Target Compensation Continuation Amount***"). Such Target Compensation Continuation Amount shall be paid during the period beginning on the Date of Termination and ending on the six (6) month anniversary of the Date of Termination in installments in accordance with the Company's regular payroll practices as of the Date of Termination, provided that to the extent any portion of such payment is delayed pursuant to Section 4(a)(v), such portion shall be paid in a lump sum on the first payroll date following the 60th day following the Date of Termination. The Company and the Executive intend the payments under this Section 4(a)(i) to constitute a "separation pay plan due to involuntary separation from service" pursuant to Treas. Reg. § 1.409A-1(b)(9)(iii).

(ii) *Potential Make-Up Payment.* In the event that the Target Compensation Continuation Amount is reduced under Section 4(a)(i) from 50% of Executive's Total Target Compensation as of the Date of Termination by application of clause (x) or (y) thereof, then the Company shall make an additional lump sum payment to the Executive equal to the difference between (x) 50% of Executive's Total Target Compensation as of the Date of Termination, and (y) the amount to be paid to the Executive under Section 4(a)(i) as a result of the application of clause (x) or (y) thereof. Such payment will be paid to the Executive on the Company's first regular payroll after the Executive executes and delivers to the Company the Release (as defined below) and after the expiration of an applicable revocation period, if any, but in no event later than 75 days after the Date of Termination. The Company and Executive intend the payments under this Section 4(a)(ii) to be a "short-term deferral" under Treas. Reg. § 1.409A-1(b)(4).

(iii) *Supplemental Target Compensation Continuation.* The Company will pay to Executive an additional amount equal to 100% of Executive's Total Target Compensation as of the Date of Termination (the "***Supplemental Target Compensation Continuation Amount***"). Such Supplemental Target Compensation Continuation Amount shall be paid to Executive in equal installments in accordance with the Company's regular payroll schedule, commencing on the first regular payroll date of the Company that occurs following completion of all payments under Section 4(a)(i) (and in any event commencing no earlier than the first day of the seventh month after the Date of Termination) and continuing for twelve (12) months. The Company and Executive intend the payments under this Section 4(a)(iii) to be deferred compensation payable either in accordance with the "short-term deferral" exception under Treas. Reg. § 1.409A-1(b)(4) or in compliance with the requirements of Section 409A of the Code.

(iv) *COBRA*. During the period beginning on the Date of Termination and ending on the eighteen (18) month anniversary of the Date of Termination (or, if shorter, during the period commencing on the date of Executive's Qualifying Termination and ending on the date on which Executive becomes eligible for coverage under any group health plan of a subsequent employer or otherwise) (in any case, the "***Benefits Continuation Period***"), subject to the Executive's valid election to

continue healthcare coverage under Section 4980B of the Internal Revenue Code and the regulations thereunder (together, the "***Code***"), the Company shall continue to provide the Executive and the Executive's eligible dependents with coverage under its group health plans at the same levels and the same cost to the Executive as would have applied if the Executive's employment had not been terminated based on the Executive's elections in effect on the Date of Termination (the "***COBRA Payments***"), provided, however, that (A) if any plan pursuant to which such benefits are provided is not, or ceases prior to the expiration of the period of continuation coverage to be, exempt from the application of Section 409A (as defined below) under Treasury Regulation Section 1.409A-1(a)(5), or (B) the Company is otherwise unable to continue to cover the Executive under its group health plans without incurring penalties (including without limitation, pursuant to Section 2716 of the Public Health Service Act or the Patient Protection and Affordable Care Act), then, in either case, an amount equal to each remaining Company subsidy shall thereafter be paid to the Executive in substantially equal monthly installments over the Benefits Continuation Period (or the remaining portion thereof).

(v) *Release*. Notwithstanding the foregoing, it shall be a condition to the Executive's right to receive the amounts provided for in Sections 4(a) hereof, as applicable, that the Executive continue to comply with Executive's obligations under Sections 7 through 9 hereof and execute and deliver to the Company an effective release of claims in substantially the form attached hereto as Exhibit A (the "***Release***") within twenty-one (21) days (or, to the extent required by law, forty-five (45) days) following the Date of Termination and that the Executive not revoke such Release during any applicable revocation period.

(b) For Cause, Without Good Reason or Other Terminations. If the Company terminates the Executive's employment for Cause, the Executive terminates the Executive's employment without Good Reason, or the Executive's employment terminates for any other reason not enumerated in Sections 4(a) or 4(b) hereof, in any case, during the Employment Period, or if the Executive's employment with the Company is terminated due to the Executive's non-extension of the Employment Period, then, in any case, the Company shall pay to the Executive the Accrued Obligations in cash within thirty (30) days after the Date of Termination (or by such earlier date as may be required by applicable law), and the Executive shall have no further rights hereunder. Notwithstanding the foregoing, in the event the Executive's termination is by reason of the Executive's death or Disability, Executive will be entitled, subject to the timely execution and non-revocation of a Release (as described above), Executive will be entitled to receive apro-rated portion (based on the number of days Executive was employed by the Company during the calendar year in which the date of Executive's termination occurs) of the Annual Bonus that Executive would have earned had Executive remained employed through the end of the calendar year in which Executive's Date of Termination occurs, as determined by the Board in good faith. If and to the extent earned, such pro-rated Annual Bonus shall be paid out at the same time annual bonuses are paid generally to other executives of the Company for the relevant year, less applicable withholdings and deductions (but in no event later than the end of the calendar year following the calendar year to which such Annual Bonus relates).

(c) Exclusive Benefits. Except as expressly provided in this Section 4 and subject to Section 5 hereof, the Executive shall not be entitled to any additional payments or benefits upon or in connection with the Executive's termination of employment.

5. Non-Exclusivity of Rights. Amounts which are vested benefits or which the Executive is otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Company at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement except as explicitly modified by this Agreement.

6. Excess Parachute Payments, Limitation on Payments.

(a) Best Pay Cap. Notwithstanding any other provision of this Agreement, in the event that any payment or benefit received or to be received by the Executive (including any payment or benefit received in connection with a termination of the Executive's employment, whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement) (all such payments and benefits, including the payments and benefits under Section 4 hereof, being hereinafter referred to as the "***Total Payments***") constitute parachute payments within the meaning of Section 280G of the Code and would be subject (in whole or part), to the excise tax imposed under Section 4999 of the Code (the "***Excise Tax***"), then, after taking into account any reduction in the Total Payments provided by reason of Section 280G of the Code in such other plan, arrangement or agreement, the cash payments under this Agreement shall first be reduced, and the noncash payments hereunder shall thereafter be reduced, to the extent necessary so that no portion of the Total Payments is subject to the Excise Tax but only if (i) the net amount of such Total Payments, as so reduced (and after subtracting the net amount of federal, state and local income taxes on such reduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such reduced Total Payments) is greater than or equal to (ii) the net amount of such Total Payments without such reduction (but after subtracting the net amount of federal, state and local income taxes on such Total Payments and the amount of Excise Tax to which the Executive would be subject in respect of such unreduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such unreduced Total Payments).

(b) Certain Exclusions. For purposes of determining whether and the extent to which the Total Payments will be subject to the Excise Tax, (i) no portion of the Total Payments the receipt or enjoyment of which the Executive shall have waived at such time and in such manner as not to constitute a "payment" within the meaning of Section 280G(b) of the Code shall be taken into account; (ii) no portion of the Total Payments shall be taken into account which, in the written opinion of an independent, nationally recognized accounting or consulting firm (the "***Independent Advisors***") selected by the Company, does not constitute a "parachute payment" within the meaning of Section 280G(b)(2) of the Code (including by reason of Section 280G(b)(4)(A) of the Code) and, in calculating the Excise Tax, no portion of such Total Payments shall be taken into account which, in the opinion of the Independent Advisors, constitutes reasonable compensation for services actually rendered, within the meaning of Section 280G(b)(4)(B) of the Code, in excess of the "base amount" (as defined in Section 280G(b)(3) of the Code) allocable to such reasonable compensation; and (iii) the value of any non-cash benefit or any deferred payment or benefit included in the Total Payments shall be determined by the Independent Advisors in accordance with the principles of Sections 280G(d)(3) and (4) of the Code.

7. Restrictive Covenants and Confidentiality. The parties acknowledge and agree that (a) the provisions and covenants contained in Sections 7 through 9 hereof (i) are material to this Agreement, (ii) are provided for, among other things, the protection of the Company's trade secrets, confidential and commercially-sensitive information, client and customer relationships, goodwill and reputation (which is an honest and just purpose), (iii) are reasonable in geographic and temporal scope and (iv) do not impose a greater restriction or restraint than is necessary to protect the Company's trade secrets, confidential and commercially-sensitive information, client and customer relationships and contacts, goodwill, reputation and other legitimate business interests, (b) the Executive (i) is employed by the Company, (ii) has been and/or will be provided with confidential and commercially-sensitive information regarding the Company and its business during his or her employment and/or service with the Company, and (iii) provides special, unique and extraordinary services to the Company, (c) the provisions of Sections 7 through 9 hereof do not adversely affect the Executive's ability to earn a living in any capacity, stifle the Executive's ability to use his or her inherent skills and experience, or otherwise impose undue hardship or oppression on the Executive, and (d) the Executive's continuation of employment under this Agreement, and the compensation and benefits described in this Agreement, constitute sufficient consideration for all of the Executive's covenants contained in Sections 7 through 9 hereof.

(a) Except as permitted by the Board, during the term of the Executive's employment and/or service with the Company and at all times thereafter, the Executive shall not divulge, furnish or make accessible to anyone or use in any way other than in the ordinary course of the business of the Company, any confidential, proprietary or secret knowledge or information of the Company or any of its affiliates, whether developed by the Executive or others, including but not limited to (i) trade secrets, (ii) confidential and proprietary plans, developments, research, processes, designs, methods or material (whether or not patented or patentable), (iii) customer and supplier lists, (iv) strategic or other business, marketing or sales plans, (v) financial data and plans and (vi) Proprietary Information. "***Proprietary Information***" is defined as (i) the name, address and/or contact information of any customer, supplier or affiliate of the Company or any information concerning the transactions or relations of any customer, supplier or affiliate of the Company or any of its shareholders; (ii) any information concerning any product, service, technology or procedure offered or used by the Company or any of its affiliates, or under development by or being considered for use by the Company or any of its affiliates; (iii) any information relating to marketing or pricing plans or methods, capital structure, or any business or strategic plans of the Company or any of its affiliates; (iv) any inventions, innovations, trade secrets or other items covered by Section 8 below; and (v) any other information which the Company or any of its affiliates has determined and communicated to the Executive in writing to be proprietary information for purposes hereof; *provided*, *however*, that "Proprietary Information" shall not include any information that is or becomes generally known to the public other than through actions of the Executive in violation of the restrictive covenants set forth in Sections 7 through 9 hereof. The Executive acknowledges that the above-described knowledge and information constitute unique and valuable assets of the Company and represent a substantial investment of time and expense by the Company, and that any disclosure or other use of such knowledge or information other than for the sole benefit of the Company would be wrongful and would cause irreparable harm to the Company. During the term of the Executive's employment and/or service with the Company, the Executive shall refrain from any acts or omissions that would reduce the value of such knowledge or information to the Company. The foregoing obligations of confidentiality shall not apply to any knowledge or information that (x) is now or subsequently becomes generally publicly known for reasons other than the Executive's violation of this Agreement, (y) is independently made available to the Executive in good faith by a third party who has not violated a confidential relationship with the Company, or (z) is required to be disclosed by legal process, other than as a direct or indirect result of the breach of this Agreement by the Executive.

(b) If, during the Executive's employment and/or service with the Company, the Executive is engaged in or associated with the planning or implementing of any project, program or venture involving the Company, all rights in such project, program or venture shall belong to the Company, as applicable. Except as approved in writing by the Board, the Executive shall not be entitled to any interest in any such project, program or venture or to any commission, finder's fee or other compensation in connection therewith. The Executive shall have no interest, direct or indirect, in any customer or supplier that conducts business with the Company, provided that a passive investment of less than 2.5% of the outstanding shares of capital stock of any customer or supplier listed on a national securities exchange or publicly traded in the over-the-counter market shall not constitute a breach of this sentence.

8. Inventions and Proprietary Rights.

(a) All right, title and interest in all discoveries, inventions, improvements, innovations and other material that the Executive shall conceive or originate individually or jointly or commonly with others during the term of the Executive's employment and/or service with the Company (i) that are directly related to the business of the Company or to the Company's actual or demonstrably anticipated research or development, or that results from any work performed by the Executive for the Company, (ii) for which any equipment, supplies, facility or trade secret information of the Company was used and/or (iii) which was not developed entirely on the Executive's own time, whether or not patentable, copyrightable, or registrable as a trademark ("***Protectable Material***"), shall be the property of the Company and are hereby assigned by the Executive to the Company (and the Executive agrees to assign all Protectable Material to the Company in the future), along with ownership of any and all patents, copyrights, trademarks and other intellectual property rights in the Protectable Material. Upon request and without further compensation therefor, but at no expense to the Executive, the Executive shall execute any and all papers and perform all other acts necessary to assist the Company to obtain and register patents, copyrights, trademarks and other intellectual property rights on the Protectable Materials in any and all countries. Where applicable, works of authorship created by the Executive for the Company in performing the Executive's duties and responsibilities hereunder shall be considered "works made for hire," as defined in the U.S. Copyright Act.

(b) All trade secret information conceived or originated by the Executive that arises during the term of the Executive's employment and/or service with the Company and out of the performance of the Executive's duties and responsibilities to the Company or any related material or information shall be the property of the Company, and all rights therein are hereby assigned by the Executive to the Company.

(c) Notwithstanding the foregoing, the Executive understands that this Agreement does not require assignment of any invention to the extent such invention qualifies for protection under Section 181.78 of the 2015 Minnesota Statutes, as may be amended from time to time, and the current text of which is attached hereto as Annex 1 to Exhibit B. The Executive hereby acknowledges that the Company has provided him or her with the notification set forth on Exhibit B (and the annex attached thereto) on the date hereof and the Executive shall sign such notification as soon as reasonably practicable after the date hereof.

(d) Notwithstanding the foregoing, the Executive understands that pursuant to the Defend Trade Secrets Act of 2016, the Executive shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

9. Non-Compete; Non-Solicitation; Non-Disparagement.

(a) During the term of the Executive's employment and/or service with the Company and during the24-month period following the date of termination thereof (the "***Restricted Period***"), regardless of the reason for such termination and regardless of whether the termination is initiated by the Company or Executive, the Executive shall not, directly or indirectly, engage in any manner or capacity (including without limitation as a proprietor, owner, principal, agent, partner, officer, director, employee, member of any association, consultant or otherwise) in any Company Business (as defined below) in the Territory (as defined below). For purposes of Sections 7 through 9 hereof, (i) "Company" means Life Time Group Holdings, Inc. and any parent, affiliated, related and/or direct or indirect subsidiary entity thereof, (ii) "Company Business" means (1) the design, development, operation, management, advertisement, promotion, solicitation, marketing or sale of health and fitness clubs or health and fitness club memberships, (2) any services, products or programs offered by health and fitness clubs, including but not limited to personal training, nutritional supplements; health testing or health assessments; wellness services or programs (whether direct to consumer or business to business); weight loss services or programs; kids activities; salons, spas, and medical spas; restaurants or cafes; athletic events and related services (including race timing and registration), and (3) any other product or service that grows into a material business for the Company (or is under development and is projected to grow into a material business for the Company) as of the Executive's Date of Termination, and (iii) "Territory" means the United States, Canada and any other country in which the Company is then doing Company Business as of the Executive's Date of Termination. Ownership by the Executive, as a passive investment, of less than 2.5% of the outstanding shares of capital stock of any corporation listed on a national securities exchange or publicly traded in the over-the-counter market shall not constitute a breach of this Section 9(a).

(b) During the term of the Executive's employment and/or service with the Company and during the Restricted Period, regardless of the reason for such termination and regardless of whether the termination is initiated by the Company or Executive, the Executive shall not, in any manner or capacity (including without limitation as a proprietor, owner, principal, agent, partner, officer, director, stockholder, employee, member of any association, consultant or otherwise), directly or indirectly, hire, engage or solicit for the purpose of employing or otherwise engaging any person who is then an employee of the Company or who was an employee of the Company as of the Executive's date of termination or at any time in the six-month period prior to such hiring, engagement or solicitation.

(c) During the term of the Executive's employment and/or service with the Company and during the Restricted Period, regardless of the reason for such termination and regardless of whether the termination is initiated by the Company or Executive, the Executive shall not, in any manner or capacity (including without limitation as a proprietor, owner, principal, agent, partner, officer, director, stockholder, employee, member of any association, consultant or otherwise), directly or indirectly, solicit, request, advise or induce any current or potential customer, member, supplier or other business contact of the Company to cancel, curtail or otherwise change its relationship with the Company.

(d) The Executive will not malign, defame or disparage the reputation, character, image, products or services of the Company or any of its affiliates, or the reputation or character of the Company's or any of its affiliates' directors, officers, employees, shareholders or agents, provided that nothing in this Section 9(d) shall be construed to limit or restrict Executive from taking any action that Executive in good faith reasonably believes is necessary to fulfill Executive's fiduciary obligations to the Company, or from providing truthful information in connection with any legal proceeding, government investigation or other legal matter. The Company shall instruct its then-current executive officers and directors as of the Executive's date of termination not to malign, defame or disparage the reputation or image of Executive, provided that nothing in this Section 9(d) shall be construed to limit or restrict such officers and directors from taking any action that they in good faith reasonably believes is necessary to fulfill their fiduciary obligations to the Company, or from providing truthful information in connection with any legal proceeding, government investigation or other legal matter.

(e) The Executive shall inform any prospective or future employer of any and all restrictions contained in this Agreement and provide such employer with a copy of such restrictions (but no other terms of this Agreement) prior to the commencement of that employment.

10. Enforcement. If the duration of, the scope of or any business activity covered by any provision of Sections 7 through 9 hereof is found by a court of competent jurisdiction to be in excess of what is valid and enforceable under applicable law, such provision shall be construed to cover only that duration, scope or activity that is valid and enforceable, and all other provisions of Sections 7 through 9 shall remain in full force and effect. The Executive hereby acknowledges that Sections 7 through 9 hereof shall be given the construction that renders the provisions valid and enforceable to the maximum extent, not exceeding their express terms, possible under applicable law. Notwithstanding anything to the contrary, the foregoing sentences of this Section 10 shall in no event apply to the extent their application would render Sections 7 through 9 hereof (or any portion thereof) unenforceable under applicable law. The Executive acknowledges that the provisions of Sections 7 through 9 hereof are reasonable and necessary to protect the legitimate interests of the Company, and that any violation of those provisions by the Executive would cause real, immediate, substantial and irreparable harm to the Company to such an extent that monetary damages alone would be an inadequate remedy therefor. Therefore, in the event of any actual or threatened breach of any provision of Sections 7 through 9 hereof, the Company shall, in addition to any other remedies it may have, be entitled to injunctive and other equitable relief to enforce such provisions and to restrain the Executive from violating or continuing to violate such provisions, and such relief may be granted without the necessity of proving actual monetary damages or posting bond. The Executive agrees

that the Restricted Period shall be tolled, and shall not run, during any period of time in which he or she is in violation of the terms of Section 9(a), 9(b) or 9(c), in order that the Company and its affiliates shall have all of the agreed-upon temporal protection recited herein. No breach of any provision of this Agreement by the Company, or any other claimed breach of contract or violation of law, or change in the nature or scope of the Executive's employment and/or service relationship with the Company, shall operate to extinguish the Executive's obligation to comply with Sections 7 through 9 hereof. The Company (including, without limitation, its affiliates) are third party beneficiaries under this Agreement and shall have the right to enforce all of the Executive's obligations to the Company under this Agreement, including without limitation pursuant to Sections 7 through 9 hereof, and the Company shall be entitled to assign its rights under Sections 7 through 9 hereof without the Executive's consent and any such assignees shall have the right to enforce all of the Executive's obligations to comply with Sections 7 through 9 hereof. The Executive covenants and agrees that he or she has received adequate consideration for his or her obligations contained in Sections 7 through 9 hereof, and will not take the position that the covenants contained in Sections 7 through 9 hereof are void for lack of consideration. The Executive will be responsible for any and all attorneys' fees and costs the Company incurs in enforcing the Executive's obligations contained in Sections 7 through 9 hereof.

11. Representations. The Executive hereby represents and warrants to the Company that (a) the Executive is entering into this Agreement voluntarily and that the performance of the Executive's obligations hereunder will not violate any agreement between the Executive and any other person, firm, organization or other entity, and (b) the Executive is not bound by the terms of any agreement with any previous employer or other party to refrain from competing, directly or indirectly, with the business of such previous employer or other party that would be violated by the Executive's entering into this Agreement and/or providing services to the Company pursuant to the terms of this Agreement.

12. Successors. This Agreement is personal to the Executive and, without the prior written consent of the Company, shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives. This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

13. Miscellaneous.

(a) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota, without reference to principles of conflict of laws. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect.

(b) Compensation Recovery Policy. Executive acknowledges and agrees that, to the extent the Company adopts any claw-back or similar policy pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act or otherwise, and any rules and regulations promulgated thereunder, he or she shall take all action necessary or appropriate to comply with such policy (including, without limitation, entering into any further agreements, amendments or policies necessary or appropriate to implement and/or enforce such policy with respect to past, present and future compensation, as appropriate).

(c) Whistleblower Protections and Trade Secrets. Notwithstanding anything to the contrary contained herein, nothing in this Agreement prohibits Executive from reporting possible violations of federal law or regulation to any United States governmental agency or entity in accordance with the provisions of and rules promulgated under Section 21F of the Securities Exchange Act of 1934 or Section 806 of the Sarbanes-Oxley Act of 2002, or any other whistleblower protection provisions of state or federal law or regulation (including the right to receive an award for information provided to any such government agencies). Furthermore, in accordance with 18 U.S.C. § 1833, notwithstanding anything to the contrary in this Agreement: (i) Executive shall not be in breach of this Agreement, and shall not be held criminally or

civilly liable under any federal or state trade secret law (A) for the disclosure of a trade secret that is made in confidence to a federal, state, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law, or (B) for the disclosure of a trade secret that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; and (ii) if Executive files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Executive may disclose the trade secret to Executive's attorney, and may use the trade secret information in the court proceeding, if Executive files any document containing the trade secret under seal, and does not disclose the trade secret, except pursuant to court order.

(d) Notices. All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive: at the Executive's most recent address on the records of the Company.

If to the Company:

Life Time Fitness, Inc.
2902 Corporate Place
Chanhassen, MN 55317
Attention: President & Chief Financial Officer

with a copy to:

Latham & Watkins LLP
1271 Avenue of the Americas
New York, NY 10020
Attn: Austin Ozawa

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notice and communications shall be effective when actually received by the addressee.

(e) Sarbanes-Oxley Act of 2002. Notwithstanding anything herein to the contrary, if the Company determines, in its good faith judgment, that any transfer or deemed transfer of funds hereunder is likely to be construed as a personal loan prohibited by Section 13(k) of the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder (the "***Exchange Act***"), then such transfer or deemed transfer shall not be made to the extent necessary or appropriate so as not to violate the Exchange Act and the rules and regulations promulgated thereunder.

(f) Section 409A of the Code.

(i) To the extent applicable, this Agreement shall be interpreted in accordance with Section 409A of the Code and Department of Treasury regulations and other interpretive guidance issued thereunder (together, "***Section 409A***"). Notwithstanding any provision of this Agreement to the contrary, if the Company determines that any compensation or benefits payable under this Agreement may be subject to Section 409A, the Company shall work in good faith with the Executive to adopt such amendments to this Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Company determines are necessary or appropriate to avoid the imposition of taxes under Section 409A, including without limitation, actions intended to (i) exempt the compensation and benefits payable under this Agreement from Section 409A, and/or (ii) comply with the requirements of Section 409A; provided, however, that this Section 13(f) shall not create an obligation on the part of the Company to adopt any such amendment, policy or procedure or take any such other action, nor shall the Company have any liability for failing to do so.

(ii) Any right to a series of installment payments pursuant to this Agreement is to be treated as a right to a series of separate payments. To the extent permitted under Section 409A, any separate payment or benefit under this Agreement or otherwise shall not be deemed "nonqualified deferred compensation" subject to Section 409A to the extent provided in the exceptions in Treasury Regulation Section 1.409A-1(b)(4), Section 1.409A-1(b)(9) or any other applicable exception or provision of Section 409A. Any payments subject to Section 409A that are subject to execution of a waiver and release which may be executed and/or revoked in a calendar year following the calendar year in which the payment event (such as termination of employment) occurs shall commence payment only in the calendar year in which the consideration period or, if applicable, release revocation period ends, as necessary to comply with Section 409A. All payments of nonqualified deferred compensation subject to Section 409A to be made upon a termination of employment under this Agreement may only be made upon Employee's Separation from Service (as defined below) from the Company.

(iii) Notwithstanding anything to the contrary in this Agreement, no compensation or benefits, including without limitation any severance payments or benefits payable under Section 4 hereof, shall be paid to the Executive during the six (6)-month period following the Executive's "separation from service" from the Company (within the meaning of Section 409A, a "***Separation from Service***") if the Company determines that at the time of Executive's Separation from Service that Executive is a "specified employee" for purposes of Section 409A and paying such amounts at the time or times indicated in this Agreement would be a prohibited distribution under Section 409A(a)(2)(B)(i) of the Code. If the payment of any such amounts is delayed as a result of the previous sentence, then on the first day of the seventh month following the date of Separation from Service (or such earlier date upon which such amount can be paid under Section 409A without resulting in a prohibited distribution, including as a result of the Executive's death), the Company shall pay the Executive a lump-sum amount equal to the cumulative amount that would have otherwise been payable to the Executive during such period.

(iv) To the extent that any payments or reimbursements provided to the Executive under this Agreement are deemed to constitute compensation to the Executive to which Treasury Regulation Section 1.409A-3(i)(1)(iv) would apply, such amounts shall be paid or reimbursed reasonably promptly, but not later than December 31 of the year following the year in which the expense was incurred. The amount of any such payments eligible for reimbursement in one year shall not affect the payments or expenses that are eligible for payment or reimbursement in any other taxable year, and the Executive's right to such payments or reimbursement of any such expenses shall not be subject to liquidation or exchange for any other benefit.

(g) Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(h) Withholding. The Company may withhold from any amounts payable under this Agreement such federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(i) No Waiver. The Executive's or the Company's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right the Executive or the Company may have hereunder shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

(j) Entire Agreement. As of the Effective Date, this Agreement constitutes the final, complete and exclusive agreement between the Executive and the Company with respect to the subject matter hereof and replaces and supersedes any and all other agreements, offers or promises, whether oral or written, by any member of the Company and its subsidiaries or affiliates, or representative thereof, including without limitation the Prior Agreement; provided that nothing herein replaces or supersedes any non -disclosure,non-competition, non-solicitation or other similar agreement between the Company (or any subsidiaries thereof) and the Executive in effect on the Effective Date, each of which shall remain in full force and effect.

(k) Amendment. No amendment or other modification of this Agreement shall be effective unless made in writing and signed by the parties hereto.

(l) Counterparts. This Agreement and any agreement referenced herein may be executed simultaneously in two or more counterparts, each of which shall be deemed an original but which together shall constitute one and the same instrument. A facsimile, PDF (or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g. www.docusign.com) or any other type of copy of an executed version of this Agreement signed by a party is binding upon the signing party to the same extent as the original of the signed agreement.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Executive has hereunto set the Executive's hand and, pursuant to the authorization from the Board, the Company has caused these presents to be executed in its name on its behalf, all as of the day and year first above written.

LIFE TIME GROUP HOLDINGS, INC.

By: /s/ Bahram Akradi
Name: Bahram Akradi
Title: Chief Executive Officer

EXECUTIVE

/s/ Eric J. Buss
Eric J. Buss

EXHIBIT A
Form of Release Agreement

This General Release of Claims (this "***Release***") is made by Eric J. Buss ("***Executive***") in favor of Life Time Group Holdings, Inc., a Delaware corporation (the "***Company***") and the "***Releasees***" (as defined below), as of the date of Executive's execution of this Release.

1. Release by Executive. In exchange for the benefits set forth in the certain Employment Agreement entered into by and between the Company and Executive, dated as of September 13, 2021, (the "***Agreement***") to which this Release is an exhibit, which are conditioned on Executive signing this Release, and to which Executive is not otherwise entitled, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Executive, his heirs, executors, administrators, beneficiaries, representatives, assigns and successors, and all others connected with or claiming through Executive, fully and forever agree to release and discharge the Company and the Company's parent and subsidiary corporations, and all of their respective past, present and future employee benefit plans, joint venturers, predecessors, successors, assigns, employees, officers, directors, shareholders, administrators, trustees, agents, representatives, and consultants, and all those connected with any of them, in their official and personal capacities (hereinafter the "***Releasees***") from any and all manner of claims, liabilities and actions, causes of action, in law or in equity, demands, suits, rights, or damages of any kind or nature, whether known or unknown, fixed or contingent (hereinafter called "***Claims***"), that Executive now has or may hereafter have against the Releasees arising out of, connected with or relating to Executive's employment by the Company and/or other relationship with the Company, or the termination of Executive's employment and/or other relationship, by reason of any and all acts, omissions, events or facts occurring or existing prior to Executive's execution of this Release. The Claims released hereunder, including without limitation, any claim of wrongful discharge, breach of contract, breach of the covenant of good faith and fair dealing, violation of public policy, defamation, discrimination, personal injury, physical injury, emotional distress, claims under the Age Discrimination in Employment Act, as amended, 29 U.S.C. § 621 et seq. ("***ADEA***"); the Older Workers' Protection Benefit Act of 1990; Title VII of the Civil Rights Act of 1964, as amended, by the Civil Rights Act of 1991, 42 U.S.C. § 2000 et seq.; Equal Pay Act, as amended, 29 U.S.C. § 206(d); the Civil Rights Act of 1866, 42 U.S.C. § 1981; the Family and Medical Leave Act of 1993, 29 U.S.C. § 2601 et seq.; the Americans with Disabilities Act of 1990, 42 U.S.C. § 12101 et seq.; the False Claims Act, 31 U.S.C. § 3729 et seq.; the Employee Retirement Income Security Act, as amended, 29 U.S.C. § 1001 et seq.; the Worker Adjustment and Retraining Notification Act ("***WARN***"), as amended, 29 U.S.C. § 2101 et seq.; the Fair Labor Standards Act, 29 U.S.C. § 215 et seq.; and any federal, state or local laws of similar effect.

2. Claims Not Released. This Release shall not apply to: the Company's obligations to provide the separation benefits under Section 4 of the Agreement; Executive's right to bring any action to enforce the terms of same or of this Release; Executive's right to indemnification under any applicable indemnification policy of the Company, including without limitation, any general liability or "directors and officers" insurance policy, any shareholders or other agreement with the Company (including pursuant to any individual indemnification agreement), the Company's governing documents or applicable law; Executive's right to assert claims for workers' compensation or unemployment benefits; Executive's right to bring to the attention of the Equal Employment Opportunity Commission ("***EEOC***") or any analogous state agency claims of discrimination, harassment or retaliation (provided, however, that Executive hereby agrees to waive Executive's right to recover monetary damages or other individual relief in any such charge, investigation or proceeding or any related complaint or lawsuit filed by Executive or anyone else on Executive's behalf), to the extent required by law; any right to communicate

directly with, cooperate with, or provide information to, any federal, state or local government regulator; any right to file an unfair labor practice charge under the National Labor Relations Act ("***NLRA***"); Executive's vested rights under any retirement or welfare benefit plan of the Company; any rights Executive may have to benefits under the Company's standard benefit programs; Executive's rights in his or her capacity as an equity holder of the Company; Executive's right to receive payment for accrued salary and any earned but unpaid Annual Bonus with respect to the year prior to the year in which Executive's date of termination of employment occurs for services rendered through Executive's last day of employment, and reimbursement for travel and business expenses properly incurred prior to the separation date, but unreimbursed; or any other rights that may not be waived by an employee under applicable law.

3. Older Worker's Benefit Protection Act. In accordance with the Older Worker's Benefit Protection Act, Executive is hereby advised as follows:

(a) Executive has read this Release and understands its terms and effect, including the fact that Executive is agreeing to release and forever discharge the Company and each of the Releasees from any Claims released in this Release.

(b) Executive understands that, by entering into this Release, Executive does not waive any Claims that may arise after the date of Executive's execution of this Release, including without limitation any rights or claims that Executive may have to secure enforcement of the terms and conditions of this Release.

(c) Executive has signed this Release voluntarily and knowingly in exchange for the consideration described in this Release, which Executive acknowledges is adequate and satisfactory to Executive and in addition to any other benefits to which Executive is otherwise entitled.

(d) The Company advises Executive to consult with an attorney prior to executing this Release.

(e) Executive has twenty-one (21) days [forty-five (45) days)][1] to review and decide whether or not to sign this Release. If Executive signs this Release prior to the expiration of such period, Executive acknowledges that Executive has done so voluntarily, had sufficient time to consider the Release, to consult with counsel and that Executive does not desire additional time and hereby waives the remainder of the twenty-one (21) day period. In the event of any changes to this Release, whether or not material, Executive waives the restarting of the twenty-one (21) day period.

(f) Executive has seven (7) days after signing this Release to revoke this Release and this Release will become effective upon the expiration of that revocation period. If Executive revokes this Release during such seven (7)-day period, this Release will be null and void and of no force or effect on either the Company or Executive and Executive will not be entitled to any of the payments or benefits which are expressly conditioned upon the execution and non-revocation of this Release.

If Executive wishes to revoke this Release, Executive shall deliver written notice stating his or her intent to revoke this Release to [NAME, OFFICER TITLE, DEPARTMENT, ADDRESS], on or before 5:00 p.m. on the seventh (7th) day after the date on which Executive signs this Release.

4. Representations.

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1 Note to Draft: Include instead of twenty-one days in this paragraph (e) if termination is part of a group termination/layoff.

(a) Executive represents and warrants that there has been no assignment or other transfer of any interest in any Claim which he or she may have against Releasees, or any of them, based on actions occurring prior to the date of this Agreement.

(b) Executive represents that, as of the date of execution of this Release, he has not filed any lawsuits, charges, complaints, petitions, administrative claims or other accusatory pleadings in any court or with any governmental agency against any of the Releasees.

5. Exceptions. Notwithstanding anything in this Release to the contrary, nothing contained in this Release shall prohibit Executive (or Executive's attorney) from (i) filing a charge with, reporting possible violations of federal law or regulation to, participating in any investigation by, or cooperating with the U.S. Securities and Exchange Commission ("***SEC***"), the Financial Industry Regulatory Authority, the EEOC, the NLRB, the Occupational Safety and Health Administration, the U.S. Commodity Futures Trading Commission, the U.S. Department of Justice or any other securities regulatory agency, self-regulatory authority or federal, state or local regulatory authority (collectively, "***Government Agencies***"), or making other disclosures that are protected under the whistleblower provisions of applicable law or regulation, (ii) communicating directly with, cooperating with, or providing information (including trade secrets) in confidence to any Government Agencies for the purpose of reporting or investigating a suspected violation of law, or from providing such information to Executive's attorney or in a sealed complaint or other document filed in a lawsuit or other governmental proceeding, and/or (iii) receiving an award for information provided to any Government Agency. Pursuant to 18 USC Section 1833(b), Executive will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made: (x) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (y) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Further, nothing in this Release is intended to or shall preclude Executive from providing truthful testimony in response to a valid subpoena, court order, regulatory request or other judicial, administrative or legal process or otherwise as required by law.

6. Miscellaneous.

(a) *Severability*. If any sentence, phrase, section, subsection or portion of this Release is found to be illegal or unenforceable, such action shall not affect the validity or enforceability of the remaining sentences, phrases, sections, subsections or portions of this Release, which shall remain fully valid and enforceable.

(b) *Headings*. The headings in this Release are provided solely for convenience, and are not intended to be part of, nor to affect or alter the interpretation or meaning of, this Release.

(c) *Construction of Agreement.* Executive has been represented by, or had the opportunity to be represented by, counsel in connection with the negotiation and execution of this Release. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in the construction or interpretation of this Release.

(d) *Entire Agreement/Integration.* This Release, together with the Agreement, constitutes the entire agreement between Executive and the Company concerning the subject matter hereof. No covenants, agreements, representations, or warranties of any kind, other than those set forth herein, have been made to any party hereto with respect to this Release. All prior discussions and negotiations have been and are merged and integrated into, and are superseded by, this Release. No amendments to this Release will be valid unless written and signed by Executive and an authorized representative of the Company.

Sign only on or within [twenty-one (21)][forty-five (45) days after [DATE]

[EXECUTIVE]

Date:_____

_____

[NAME]

EXHIBIT B

LIMITED EXCLUSION NOTIFICATION

THIS IS TO NOTIFY YOU that, notwithstanding anything to the contrary in that certain Employment Agreement entered into by and between Life Time Group Holdings, Inc. and you, dated as of September 13, 2021, (the "***Agreement***") to which this is an exhibit, the Agreement does not require assignment of any invention to the extent such invention qualifies for protection under Section 181.78 of the 2015 Minnesota Statutes, as may be amended from time to time. The current text of the aforementioned statute is attached hereto as Annex 1.

I, _____ , acknowledge receipt of a copy of this notification (and the annex thereto).

_____

_____

Date

Annex 1

Section 181.78 of the 2015 Minnesota Statutes

As of the date of this Agreement, Section 181.78 of the 2015 Minnesota Statutes is as follows:

181.78 AGREEMENTS; TERMS RELATING TO INVENTIONS.

Subdivision 1. **Inventions not related to employment**. Any provision in an employment agreement which provides that an employee shall assign or offer to assign any of the employee's rights in an invention to the employer shall not apply to an invention for which no equipment, supplies, facility or trade secret information of the employer was used and which was developed entirely on the employee's own time, and (1) which does not relate (a) directly to the business of the employer or (b) to the employer's actual or demonstrably anticipated research or development, or (2) which does not result from any work performed by the employee for the employer. Any provision which purports to apply to such an invention is to that extent against the public policy of this state and is to that extent void and unenforceable.

Subd. 2. **Effect of subdivision 1**. No employer shall require a provision made void and unenforceable by subdivision 1 as a condition of employment or continuing employment.

Subd. 3. **Notice to employee**. If an employment agreement entered into after August 1, 1977 contains a provision requiring the employee to assign or offer to assign any of the employee's rights in any invention to an employer, the employer must also, at the time the agreement is made, provide a written notification to the employee that the agreement does not apply to an invention for which no equipment, supplies, facility or trade secret information of the employer was used and which was developed entirely on the employee's own time, and (1) which does not relate (a) directly to the business of the employer or (b) to the employer's actual or demonstrably anticipated research or development, or (2) which does not result from any work performed by the employee for the employer.

Exhibit 10.30

Execution Version

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "***Agreement***"), entered into as of September 13, is made by and between Life Time Group Holdings, Inc. ("***Life Time***", and together with any of its subsidiaries and affiliates as may employ Executive from time to time, and any successor(s) thereto, the "***Company***" (except as set forth in Section 9(a)) and Jeffrey G. Zwiefel (the "***Executive***") (collectively referred to herein as the "***Parties***"). This Agreement shall be effective as of the date of closing of the initial public offering of the Company (or such other date mutually agreed in writing between the parties) (such date, the "***Effective Date***"). If the initial public offering of the Company does not occur on or prior to January 1, 2022, this Agreement will be void *ab initio.*

WHEREAS, the Executive is currently employed by the Company as its President & Chief Operating Officer pursuant to the terms of that certain Executive Employment Agreement by and between the Parties, dated as of March 2017, as subsequently amended (the "***Prior Agreement***");

WHEREAS, it is the desire of the Company to continue to assure itself of the services of Executive following the Effective Date upon the terms and conditions of this Agreement, which replaces and supersedes the Prior Agreement; and

WHEREAS, the Executive desires to provide services to the Company on the terms herein provided.

NOW, THEREFORE, in consideration of the promises and the mutual agreements and covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Company and Executive, the parties agree as follows:

1. Employment Period. Subject to the provisions for earlier termination hereinafter provided, the initial term of the Executive's employment hereunder shall be for a term (the "***Initial Employment Period***") commencing on the Effective Date and ending on the third anniversary of the Effective Date. The Initial Employment Period shall automatically be extended for successive one-year periods (each, an "***Extension Employment Period***" and, together with the Initial Employment Period, the "***Employment Period***"), unless either Party gives written notice ofnon-extension to the other no later than ninety (90) days prior to the expiration of the then-applicable Employment Period, in which case Executive's employment will terminate at the end of the then-applicable Employment Period, subject to earlier termination as provided in Section 3 below.

2. Terms of Employment.

(a) Position and Duties.

(i) Role and Responsibilities. During the Employment Period, the Executive shall serve as President & Chief Operating Officer of Life Time, and shall perform such employment duties as are usual and customary for such positions (subject to Section 3(d)(i)). The Executive shall report directly to the Chief Executive Officer of Life Time (or his or her designee). Executive will use Executive's best efforts to promote the interests, prospects and condition (financial and otherwise) and welfare of the Company and shall perform Executive's fiduciary duties and responsibilities to the Company to the best of Executive's ability in a diligent, trustworthy, businesslike and efficient manner. Executive agrees that Executive will observe and comply with the Company's rules and policies as adopted by the Company and in effect from time to time. At the Company's request, the Executive shall serve the Company and/or its subsidiaries and affiliates in other capacities in addition to the foregoing, consistent with the Executive's position as President & Chief Operating Officer of Life Time. In the event that the Executive, during the

Employment Period, serves in any one or more of such additional capacities, the Executive's compensation shall not be increased beyond that specified in Section 2(b) hereof. In addition, in the event the Executive's service in one or more of such additional capacities is terminated, the Executive's compensation, as specified in Section 2(b) hereof, shall not be diminished or reduced in any manner as a result of such termination provided that the Executive otherwise remains employed under the terms of this Agreement.

(ii) Exclusivity. During the Employment Period, and excluding any periods of vacation and sick leave to which the Executive may be entitled, the Executive agrees to devote his or her full business time and attention to the business and affairs of the Company. Executive shall not engage in outside business activities (including serving on outside boards or committees) without the prior written consent of the Board of Directors of Life Time (the "***Board***") (which shall not be unreasonably withheld);*provided* that Executive shall be permitted to (i) manage Executive's personal, financial and legal affairs, (ii) participate in trade associations and charitable and community affairs and (iii) serve on one outside board of directors or advisory board, subject to the prior written consent of the Company's Chief Executive Officer, in each case, to the extent such actions do not result in any violation of Sections 7 through 9.

(iii) Principal Location. During the Employment Period, the Executive shall perform the services required by this Agreement at the Company's principal offices located in Chanhassen, Minnesota or such other location mutually agreed upon by the Company and the Executive (the "***Principal Location***"), except for travel to other locations as may be necessary or appropriate to fulfill the Executive's duties and responsibilities hereunder.

(b) Compensation, Benefits, Etc. Subject to Section 3(d)(i):

(i) Base Salary. During the Employment Period, the Executive shall receive a base salary (the "***Base Salary***") of $900,000 per annum. The Base Salary shall be subject to review from time to time by the Board or its delegate in its discretion. The Base Salary shall be paid in accordance with the Company's normal payroll practices.

(ii) Annual Cash Bonus. In addition to the Base Salary, the Executive shall be eligible to earn, for each fiscal year of the Company ending during the Employment Period commencing in fiscal year 2022, a discretionary cash performance bonus (an "***Annual Bonus***") under the Company's bonus plan or program applicable to senior executives. The Executive's target Annual Bonus shall be set at 67% of the Base Salary actually paid for such year (the "***Target Bonus***"). The actual amount of any Annual Bonus shall be determined by reference to the attainment of Company performance metrics and/or individual performance objectives, in each case, as determined by the Board or the Compensation Committee or similar committee in its discretion, and may be greater or less than the Target Bonus. Subject to Section 4(a) hereof, payment of any Annual Bonus(es), to the extent any Annual Bonus(es) become payable, will be made at the same time bonuses are paid to other similarly-situated executives of the Company generally, contingent upon the Executive's continued employment through the applicable payment date.

(iii) Benefits. During the Employment Period, the Executive (and the Executive's spouse and/or eligible dependents to the extent provided in the applicable plans and programs) shall be eligible to participate in and be covered under the health and welfare benefit plans and programs maintained by the Company for the benefit of its employees from time to time, subject to the terms of such plans and programs including any medical and dental insurance plans and programs. In addition, during the Employment Period, Executive shall be eligible to participate in any retirement, savings and other employee benefit plans and programs maintained from time to time by the Company for the benefit of its senior executive officers generally. Notwithstanding the foregoing, nothing contained in this Section 2(b)(iii) shall create or be deemed to create any obligation on the part of the Company to adopt or maintain any health, welfare, retirement or other benefit plan or program at any time or to create any limitation on the Company's ability to modify or terminate any such plan or program.

(iv) Expenses. During the Employment Period, the Executive shall be entitled to receive reimbursement for all reasonable business expenses incurred by the Executive in accordance with the policies, practices and procedures of the Company.

(v) Vacation. During the Employment Period, the Executive shall be entitled to paid vacation in accordance with the plans, policies, programs and practices of the Company applicable to its senior executives in effect from time to time.

(vi) Equity Awards. During the Employment Period, Executive will be eligible to participate in the Company's equity incentive plan then in effect and receive equity awards thereunder, as determined by the Board or the Compensation Committee (or similar committee) of the Board in its sole discretion and subject to the terms of the Company's equity incentive plan then in effect and an applicable award agreement.

3. Termination of Employment.

(a) Death or Disability. The Executive's employment shall terminate automatically upon the Executive's death during the Employment Period. Either the Company or the Executive may terminate the Executive's employment in the event of the Executive's Disability during the Employment Period. For purposes of this Agreement, "***Disability***" shall mean: Executive's inability to perform on a full-time basis the duties and responsibilities of Executive's employment with the Company by reason of Executive's illness or other physical or mental impairment or condition, as determined by a physician mutually acceptable to Executive and the Company, if such inability continues for an uninterrupted period of 90 days or more during any 365-day period. A period of inability shall be "uninterrupted" unless and until Executive returns to full-time work from the above-referenced leave for a continuous period of at least 180 days, excluding vacation days or sick days taken for reasons unrelated to the illness or other physical or mental impairment or condition necessitating the above-referenced leave.

(b) Termination by the Company. The Company may terminate the Executive's employment during the Employment Period for Cause or without Cause. For purposes of this Agreement, "***Cause***" shall mean the occurrence of any one or more of the following events unless, to the extent capable of correction, the Executive fully corrects the circumstances constituting Cause within thirty (30) days after receipt of the Notice of Termination (as defined below):

(i) repeated and willful or grossly negligent failure to perform the Executive's material duties on behalf of the Company;

(ii) the Executive's willful or grossly negligent violation of any material Company rule, procedure or policy, or breach of any non-disclosure, non-competition, non-solicitation or other similar agreement between the Company (or any subsidiaries thereof) and the Executive;

(iii) the Executive's plea of *nolo contendere* to, or conviction of a felony, a crime of moral turpitude or a misdemeanor involving fraud or dishonesty (other than minor traffic violations or similar offenses) or that could reasonably be expected to result in material harm, whether business, financial, reputational or otherwise, to the Company or its subsidiaries;

(iv) the perpetration of any act of fraud, embezzlement or material dishonesty against or affecting the Company, any of its subsidiaries, or any customer, agent or employee thereof;

(v) material breach of fiduciary duty or material breach of this Agreement (or any other written agreement by and between the Executive and the Company) by Executive;

(vi) repeated insolent or abusive conduct in the workplace, including but not limited to, harassment of others of a racial or sexual nature; or

(vii) engaging in any act of material self-dealing without prior notice to and consent by the Board.

(c) Termination by the Executive. The Executive's employment may be terminated by the Executive for any reason, including with Good Reason or by the Executive without Good Reason. For purposes of this Agreement, "***Good Reason***" shall mean the occurrence of any one or more of the following events without the Executive's prior written consent, unless the Company fully corrects the circumstances constituting Good Reason (provided such circumstances are capable of correction) as provided below:

(i) The Company has breached any material term(s) or material condition(s) of this Agreement;

(ii) A requirement imposed by the Company on the Executive that Executive's principal place of employment be anywhere other than within a 75 mile radius of the Executive's Principal Location, and the relocation results in a material change to the geographic location at which the Executive performs services;

(iii) A material reduction in the Executive's Base Salary or Target Bonus as then in effect, other than in connection with an across-the-board reduction affecting other similarly situated executives of the Company or as otherwise contemplated by Section 3(d)(i); or

(iv) The Company has assigned duties and responsibilities to Executive that are materially inconsistent with Executive's position, duties or responsibilities as set forth in this Agreement, such that there occurs a material reduction in Executive's duties, responsibilities or authority as set forth in this Agreement, other than as contemplated by Section 3(d)(i).

Notwithstanding the foregoing, the Executive will not be deemed to have resigned for Good Reason unless (1) the Executive provides the Company with written notice setting forth in reasonable detail the facts and circumstances claimed by the Executive to constitute Good Reason within ninety (90) days after the date of the occurrence of any event that the Executive knows or should reasonably have known to constitute Good Reason, (2) the Company fails to cure such acts or omissions within thirty (30) days following its receipt of such notice, and (3) the effective date of the Executive's termination for Good Reason occurs no later than thirty (30) days after the expiration of the Company's cure period.

(d) Notice of Suspension or Termination.

(i) Notwithstanding anything to the contrary herein, in the event of the Executive's arrest or indictment for a felony, crime or misdemeanor described in Section 3(b)(iii), the Company shall have the right (but not obligation) to suspend the Executive without compensation of any kind until such time as either (A) a court of competent jurisdiction makes a final determination as to the Executive's guilt or innocence or (B) the Executive pleads *nolo contendere* to such alleged such felony or crime; provided that, if the court makes a final determination that the Executive should be acquitted of such felony or crime, the Company shall

either (x) reinstate the Executive and pay to the Executive the amount of Base Salary that was withheld pursuant to this Section 3(d)(i) within 30 days following such reinstatement, or (y) terminate the Executive's employment pursuant to Section 3(b) and pay any severance required in accordance with Section 4. For the avoidance of doubt, the Company retains the right to terminate the Executive's employment with the Company at any time during or following such period of suspension pursuant to Section 3(b).

(ii) Any termination by the Company for Cause, or by the Executive for Good Reason, shall be communicated by a Notice of Termination to the other parties hereto given in accordance with Section 13(d) hereof. For purposes of this Agreement, a "***Notice of Termination***" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated and (iii) if the Date of Termination (as defined below) is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than thirty (30) days after the giving of such notice). The failure by the Executive or the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason or Cause shall not waive any right of the Executive or the Company, respectively, hereunder or preclude the Executive or the Company, respectively, from asserting such fact or circumstance in enforcing the Executive's or the Company's rights hereunder.

(e) Termination of Offices and Directorships; Return of Property. Upon termination of the Executive's employment for any reason, unless otherwise specified in a written agreement between the Executive and the Company, the Executive shall be deemed to have resigned from all offices, directorships, and other employment positions if any, then held with the Company, and shall take all actions reasonably requested by the Company to effectuate the foregoing. In addition, upon the termination of the Executive's employment for any reason, the Executive agrees to return to the Company all documents of the Company and its affiliates (and all copies thereof) and all other Company or Company affiliate property that the Executive has in his or her possession, custody or control. Such property includes, without limitation: (i) any materials of any kind that the Executive knows contain or embody any proprietary or confidential information of the Company or an affiliate of the Company (and all reproductions thereof), (ii) computers (including, but not limited to, laptop computers, desktop computers and similar devices) and other portable electronic devices (including, but not limited to, tablet computers), cellular phones/smartphones, credit cards, phone cards, entry cards, identification badges and keys, and (iii) any correspondence, drawings, manuals, letters, notes, notebooks, reports, programs, plans, proposals, financial documents, or any other documents concerning the customers, business plans, marketing strategies, products and/or processes of the Company or any of its affiliates and any information received from the Company or any of its affiliates regarding third parties.

4. Obligations of the Company upon Termination. Upon a termination of the Executive's employment for any reason, the Executive shall be entitled to receive, in a single lump-sum payment, (i) the aggregate amount of the Executive's earned but unpaid Base Salary, (ii) any unpaid Annual Bonus earned by Executive for the year prior to the year in which the Date of Termination occurs, (iii) reimbursement of expenses to which Executive is entitled and (iv) any other benefits to which Executive is legally entitled (collectively, the "***Accrued Obligations***").

(a) Without Cause, For Good Reason or Due to Company Non-Extension. If the Executive's employment with the Company is terminated (1) during the Employment Period (x) by the Company without Cause (other than by reason of the Executive's death or Disability) or due to the Company's non-extension of the Employment Period or (y) by the Executive for Good Reason or (2) at the end of the Employment Period due to the Company's non-extension of the Employment Period (in either case, a "***Qualifying Termination***"), then following the date of such termination of employment (such date, the "***Date of Termination***"), in addition to the Accrued Obligations:

(i) *Target Compensation Continuation*. The Company shall continue to pay to the Executive an amount equal to 50% of the sum of the Executive's (1) Base Salary and (2) Target Bonus in effect as of the Date of Termination (the amount of such sum, the "***Total Target Compensation***"), but not to exceed a maximum amount of two times the lesser of: (x) the Code § 401(a)(17) compensation limit for the year in which the Date of Termination occurs; or (y) the sum of Executive's annualized compensation based upon the annual rate of pay for services provided to the Company for the calendar year prior to the calendar year in which the Date of Termination occurs (adjusted for any increase during that year that was expected to continue indefinitely) (the "***Target Compensation Continuation Amount***"). Such Target Compensation Continuation Amount shall be paid during the period beginning on the Date of Termination and ending on the six (6) month anniversary of the Date of Termination in installments in accordance with the Company's regular payroll practices as of the Date of Termination, provided that to the extent any portion of such payment is delayed pursuant to Section 4(a)(v), such portion shall be paid in a lump sum on the first payroll date following the 60th day following the Date of Termination. The Company and the Executive intend the payments under this Section 4(a)(i) to constitute a "separation pay plan due to involuntary separation from service" pursuant to Treas. Reg. § 1.409A-1(b)(9)(iii).

(ii) *Potential Make-Up Payment.* In the event that the Target Compensation Continuation Amount is reduced under Section 4(a)(i) from 50% of Executive's Total Target Compensation as of the Date of Termination by application of clause (x) or (y) thereof, then the Company shall make an additional lump sum payment to the Executive equal to the difference between (x) 50% of Executive's Total Target Compensation as of the Date of Termination, and (y) the amount to be paid to the Executive under Section 4(a)(i) as a result of the application of clause (x) or (y) thereof. Such payment will be paid to the Executive on the Company's first regular payroll after the Executive executes and delivers to the Company the Release (as defined below) and after the expiration of an applicable revocation period, if any, but in no event later than 75 days after the Date of Termination. The Company and Executive intend the payments under this Section 4(a)(ii) to be a "short-term deferral" under Treas. Reg. § 1.409A-1(b)(4).

(iii) *Supplemental Target Compensation Continuation.* The Company will pay to Executive an additional amount equal to 100% of Executive's Total Target Compensation as of the Date of Termination (the "***Supplemental Target Compensation Continuation Amount***"). Such Supplemental Target Compensation Continuation Amount shall be paid to Executive in equal installments in accordance with the Company's regular payroll schedule, commencing on the first regular payroll date of the Company that occurs following completion of all payments under Section 4(a)(i) (and in any event commencing no earlier than the first day of the seventh month after the Date of Termination) and continuing for twelve (12) months. The Company and Executive intend the payments under this Section 4(a)(iii) to be deferred compensation payable either in accordance with the "short-term deferral" exception under Treas. Reg. § 1.409A-1(b)(4) or in compliance with the requirements of Section 409A of the Code.

(iv) *COBRA*. During the period beginning on the Date of Termination and ending on the eighteen (18) month anniversary of the Date of Termination (or, if shorter, during the period commencing on the date of Executive's Qualifying Termination and ending on the date on which Executive becomes eligible for coverage under any group health plan of a subsequent employer or otherwise) (in any case, the "***Benefits Continuation Period***"), subject to the Executive's valid election to continue healthcare coverage under Section 4980B of the Internal Revenue Code and the regulations thereunder (together, the "***Code***"), the Company shall continue to provide the Executive and the Executive's eligible dependents with coverage under its group health plans at the same levels and the same cost to the Executive as would have applied if the Executive's employment had not been terminated based on the Executive's elections in effect on the Date of Termination (the "***COBRA Payments***"), provided, however, that (A) if any plan pursuant to

which such benefits are provided is not, or ceases prior to the expiration of the period of continuation coverage to be, exempt from the application of Section 409A (as defined below) under Treasury Regulation Section 1.409A-1(a)(5), or (B) the Company is otherwise unable to continue to cover the Executive under its group health plans without incurring penalties (including without limitation, pursuant to Section 2716 of the Public Health Service Act or the Patient Protection and Affordable Care Act), then, in either case, an amount equal to each remaining Company subsidy shall thereafter be paid to the Executive in substantially equal monthly installments over the Benefits Continuation Period (or the remaining portion thereof).

(v) *Release*. Notwithstanding the foregoing, it shall be a condition to the Executive's right to receive the amounts provided for in Sections 4(a) hereof, as applicable, that the Executive continue to comply with Executive's obligations under Sections 7 through 9 hereof and execute and deliver to the Company an effective release of claims in substantially the form attached hereto as Exhibit A (the "***Release***") within twenty-one (21) days (or, to the extent required by law, forty-five (45) days) following the Date of Termination and that the Executive not revoke such Release during any applicable revocation period.

(b) For Cause, Without Good Reason or Other Terminations. If the Company terminates the Executive's employment for Cause, the Executive terminates the Executive's employment without Good Reason, or the Executive's employment terminates for any other reason not enumerated in Sections 4(a) or 4(b) hereof, in any case, during the Employment Period, or if the Executive's employment with the Company is terminated due to the Executive's non-extension of the Employment Period, then, in any case, the Company shall pay to the Executive the Accrued Obligations in cash within thirty (30) days after the Date of Termination (or by such earlier date as may be required by applicable law), and the Executive shall have no further rights hereunder. Notwithstanding the foregoing, in the event the Executive's termination is by reason of the Executive's death or Disability, Executive will be entitled, subject to the timely execution and non-revocation of a Release (as described above), Executive will be entitled to receive apro-rated portion (based on the number of days Executive was employed by the Company during the calendar year in which the date of Executive's termination occurs) of the Annual Bonus that Executive would have earned had Executive remained employed through the end of the calendar year in which Executive's Date of Termination occurs, as determined by the Board in good faith. If and to the extent earned, such pro-rated Annual Bonus shall be paid out at the same time annual bonuses are paid generally to other executives of the Company for the relevant year, less applicable withholdings and deductions (but in no event later than the end of the calendar year following the calendar year to which such Annual Bonus relates).

(c) Exclusive Benefits. Except as expressly provided in this Section 4 and subject to Section 5 hereof, the Executive shall not be entitled to any additional payments or benefits upon or in connection with the Executive's termination of employment.

5. Non-Exclusivity of Rights. Amounts which are vested benefits or which the Executive is otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Company at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement except as explicitly modified by this Agreement.

6. Excess Parachute Payments, Limitation on Payments.

(a) Best Pay Cap. Notwithstanding any other provision of this Agreement, in the event that any payment or benefit received or to be received by the Executive (including any payment or benefit received in connection with a termination of the Executive's employment, whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement) (all such payments and benefits, including

the payments and benefits under Section 4 hereof, being hereinafter referred to as the "***Total Payments***") constitute parachute payments within the meaning of Section 280G of the Code and would be subject (in whole or part), to the excise tax imposed under Section 4999 of the Code (the "***Excise Tax***"), then, after taking into account any reduction in the Total Payments provided by reason of Section 280G of the Code in such other plan, arrangement or agreement, the cash payments under this Agreement shall first be reduced, and the noncash payments hereunder shall thereafter be reduced, to the extent necessary so that no portion of the Total Payments is subject to the Excise Tax but only if (i) the net amount of such Total Payments, as so reduced (and after subtracting the net amount of federal, state and local income taxes on such reduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such reduced Total Payments) is greater than or equal to (ii) the net amount of such Total Payments without such reduction (but after subtracting the net amount of federal, state and local income taxes on such Total Payments and the amount of Excise Tax to which the Executive would be subject in respect of such unreduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such unreduced Total Payments).

(b) Certain Exclusions. For purposes of determining whether and the extent to which the Total Payments will be subject to the Excise Tax, (i) no portion of the Total Payments the receipt or enjoyment of which the Executive shall have waived at such time and in such manner as not to constitute a "payment" within the meaning of Section 280G(b) of the Code shall be taken into account; (ii) no portion of the Total Payments shall be taken into account which, in the written opinion of an independent, nationally recognized accounting or consulting firm (the "***Independent Advisors***") selected by the Company, does not constitute a "parachute payment" within the meaning of Section 280G(b)(2) of the Code (including by reason of Section 280G(b)(4)(A) of the Code) and, in calculating the Excise Tax, no portion of such Total Payments shall be taken into account which, in the opinion of the Independent Advisors, constitutes reasonable compensation for services actually rendered, within the meaning of Section 280G(b)(4)(B) of the Code, in excess of the "base amount" (as defined in Section 280G(b)(3) of the Code) allocable to such reasonable compensation; and (iii) the value of any non-cash benefit or any deferred payment or benefit included in the Total Payments shall be determined by the Independent Advisors in accordance with the principles of Sections 280G(d)(3) and (4) of the Code.

7. Restrictive Covenants and Confidentiality. The parties acknowledge and agree that (a) the provisions and covenants contained in Sections 7 through 9 hereof (i) are material to this Agreement, (ii) are provided for, among other things, the protection of the Company's trade secrets, confidential and commercially-sensitive information, client and customer relationships, goodwill and reputation (which is an honest and just purpose), (iii) are reasonable in geographic and temporal scope and (iv) do not impose a greater restriction or restraint than is necessary to protect the Company's trade secrets, confidential and commercially-sensitive information, client and customer relationships and contacts, goodwill, reputation and other legitimate business interests, (b) the Executive (i) is employed by the Company, (ii) has been and/or will be provided with confidential and commercially-sensitive information regarding the Company and its business during his or her employment and/or service with the Company, and (iii) provides special, unique and extraordinary services to the Company, (c) the provisions of Sections 7 through 9 hereof do not adversely affect the Executive's ability to earn a living in any capacity, stifle the Executive's ability to use his or her inherent skills and experience, or otherwise impose undue hardship or oppression on the Executive, and (d) the Executive's continuation of employment under this Agreement, and the compensation and benefits described in this Agreement, constitute sufficient consideration for all of the Executive's covenants contained in Sections 7 through 9 hereof.

(a) Except as permitted by the Board, during the term of the Executive's employment and/or service with the Company and at all times thereafter, the Executive shall not divulge, furnish or make accessible to anyone or use in any way other than in the ordinary course of the business of the Company, any confidential, proprietary or secret knowledge or information of the Company or any of its

affiliates, whether developed by the Executive or others, including but not limited to (i) trade secrets, (ii) confidential and proprietary plans, developments, research, processes, designs, methods or material (whether or not patented or patentable), (iii) customer and supplier lists, (iv) strategic or other business, marketing or sales plans, (v) financial data and plans and (vi) Proprietary Information. "***Proprietary Information***" is defined as (i) the name, address and/or contact information of any customer, supplier or affiliate of the Company or any information concerning the transactions or relations of any customer, supplier or affiliate of the Company or any of its shareholders; (ii) any information concerning any product, service, technology or procedure offered or used by the Company or any of its affiliates, or under development by or being considered for use by the Company or any of its affiliates; (iii) any information relating to marketing or pricing plans or methods, capital structure, or any business or strategic plans of the Company or any of its affiliates; (iv) any inventions, innovations, trade secrets or other items covered by Section 8 below; and (v) any other information which the Company or any of its affiliates has determined and communicated to the Executive in writing to be proprietary information for purposes hereof; *provided*, *however*, that "Proprietary Information" shall not include any information that is or becomes generally known to the public other than through actions of the Executive in violation of the restrictive covenants set forth in Sections 7 through 9 hereof. The Executive acknowledges that the above-described knowledge and information constitute unique and valuable assets of the Company and represent a substantial investment of time and expense by the Company, and that any disclosure or other use of such knowledge or information other than for the sole benefit of the Company would be wrongful and would cause irreparable harm to the Company. During the term of the Executive's employment and/or service with the Company, the Executive shall refrain from any acts or omissions that would reduce the value of such knowledge or information to the Company. The foregoing obligations of confidentiality shall not apply to any knowledge or information that (x) is now or subsequently becomes generally publicly known for reasons other than the Executive's violation of this Agreement, (y) is independently made available to the Executive in good faith by a third party who has not violated a confidential relationship with the Company, or (z) is required to be disclosed by legal process, other than as a direct or indirect result of the breach of this Agreement by the Executive.

(b) If, during the Executive's employment and/or service with the Company, the Executive is engaged in or associated with the planning or implementing of any project, program or venture involving the Company, all rights in such project, program or venture shall belong to the Company, as applicable. Except as approved in writing by the Board, the Executive shall not be entitled to any interest in any such project, program or venture or to any commission, finder's fee or other compensation in connection therewith. The Executive shall have no interest, direct or indirect, in any customer or supplier that conducts business with the Company, provided that a passive investment of less than 2.5% of the outstanding shares of capital stock of any customer or supplier listed on a national securities exchange or publicly traded in the over-the-counter market shall not constitute a breach of this sentence.

8. Inventions and Proprietary Rights.

(a) All right, title and interest in all discoveries, inventions, improvements, innovations and other material that the Executive shall conceive or originate individually or jointly or commonly with others during the term of the Executive's employment and/or service with the Company (i) that are directly related to the business of the Company or to the Company's actual or demonstrably anticipated research or development, or that results from any work performed by the Executive for the Company, (ii) for which any equipment, supplies, facility or trade secret information of the Company was used and/or (iii) which was not developed entirely on the Executive's own time, whether or not patentable, copyrightable, or registrable as a trademark ("***Protectable Material***"), shall be the property of the Company and are hereby assigned by the Executive to the Company (and the Executive agrees to assign all Protectable Material to the Company in the future), along with ownership of any and all patents, copyrights, trademarks and other intellectual property rights in the Protectable Material. Upon request and without further compensation therefor, but at no expense to the Executive, the Executive shall execute any and all papers

and perform all other acts necessary to assist the Company to obtain and register patents, copyrights, trademarks and other intellectual property rights on the Protectable Materials in any and all countries. Where applicable, works of authorship created by the Executive for the Company in performing the Executive's duties and responsibilities hereunder shall be considered "works made for hire," as defined in the U.S. Copyright Act.

(b) All trade secret information conceived or originated by the Executive that arises during the term of the Executive's employment and/or service with the Company and out of the performance of the Executive's duties and responsibilities to the Company or any related material or information shall be the property of the Company, and all rights therein are hereby assigned by the Executive to the Company.

(c) Notwithstanding the foregoing, the Executive understands that this Agreement does not require assignment of any invention to the extent such invention qualifies for protection under Section 181.78 of the 2015 Minnesota Statutes, as may be amended from time to time, and the current text of which is attached hereto as Annex 1 to Exhibit B. The Executive hereby acknowledges that the Company has provided him or her with the notification set forth on Exhibit B (and the annex attached thereto) on the date hereof and the Executive shall sign such notification as soon as reasonably practicable after the date hereof.

(d) Notwithstanding the foregoing, the Executive understands that pursuant to the Defend Trade Secrets Act of 2016, the Executive shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

9. Non-Compete; Non-Solicitation; Non-Disparagement.

(a) During the term of the Executive's employment and/or service with the Company and during the24-month period following the date of termination thereof (the "***Restricted Period***"), regardless of the reason for such termination and regardless of whether the termination is initiated by the Company or Executive, the Executive shall not, directly or indirectly, engage in any manner or capacity (including without limitation as a proprietor, owner, principal, agent, partner, officer, director, employee, member of any association, consultant or otherwise) in any Company Business (as defined below) in the Territory (as defined below). For purposes of Sections 7 through 9 hereof, (i) "Company" means Life Time Group Holdings, Inc. and any parent, affiliated, related and/or direct or indirect subsidiary entity thereof, (ii) "Company Business" means (1) the design, development, operation, management, advertisement, promotion, solicitation, marketing or sale of health and fitness clubs or health and fitness club memberships, (2) any services, products or programs offered by health and fitness clubs, including but not limited to personal training, nutritional supplements; health testing or health assessments; wellness services or programs (whether direct to consumer or business to business); weight loss services or programs; kids activities; salons, spas, and medical spas; restaurants or cafes; athletic events and related services (including race timing and registration), and (3) any other product or service that grows into a material business for the Company (or is under development and is projected to grow into a material business for the Company) as of the Executive's Date of Termination, and (iii) "Territory" means the United States, Canada and any other country in which the Company is then doing Company Business as of the Executive's Date of Termination. Ownership by the Executive, as a passive investment, of less than 2.5% of the outstanding shares of capital stock of any corporation listed on a national securities exchange or publicly traded in the over-the-counter market shall not constitute a breach of this Section 9(a).

(b) During the term of the Executive's employment and/or service with the Company and during the Restricted Period, regardless of the reason for such termination and regardless of whether the termination is initiated by the Company or Executive, the Executive shall not, in any manner or capacity (including without limitation as a proprietor, owner, principal, agent, partner, officer, director, stockholder, employee, member of any association, consultant or otherwise), directly or indirectly, hire, engage or solicit for the purpose of employing or otherwise engaging any person who is then an employee of the Company or who was an employee of the Company as of the Executive's date of termination or at any time in the six-month period prior to such hiring, engagement or solicitation.

(c) During the term of the Executive's employment and/or service with the Company and during the Restricted Period, regardless of the reason for such termination and regardless of whether the termination is initiated by the Company or Executive, the Executive shall not, in any manner or capacity (including without limitation as a proprietor, owner, principal, agent, partner, officer, director, stockholder, employee, member of any association, consultant or otherwise), directly or indirectly, solicit, request, advise or induce any current or potential customer, member, supplier or other business contact of the Company to cancel, curtail or otherwise change its relationship with the Company.

(d) The Executive will not malign, defame or disparage the reputation, character, image, products or services of the Company or any of its affiliates, or the reputation or character of the Company's or any of its affiliates' directors, officers, employees, shareholders or agents, provided that nothing in this Section 9(d) shall be construed to limit or restrict Executive from taking any action that Executive in good faith reasonably believes is necessary to fulfill Executive's fiduciary obligations to the Company, or from providing truthful information in connection with any legal proceeding, government investigation or other legal matter. The Company shall instruct its then-current executive officers and directors as of the Executive's date of termination not to malign, defame or disparage the reputation or image of Executive, provided that nothing in this Section 9(d) shall be construed to limit or restrict such officers and directors from taking any action that they in good faith reasonably believes is necessary to fulfill their fiduciary obligations to the Company, or from providing truthful information in connection with any legal proceeding, government investigation or other legal matter.

(e) The Executive shall inform any prospective or future employer of any and all restrictions contained in this Agreement and provide such employer with a copy of such restrictions (but no other terms of this Agreement) prior to the commencement of that employment.

10. Enforcement. If the duration of, the scope of or any business activity covered by any provision of Sections 7 through 9 hereof is found by a court of competent jurisdiction to be in excess of what is valid and enforceable under applicable law, such provision shall be construed to cover only that duration, scope or activity that is valid and enforceable, and all other provisions of Sections 7 through 9 shall remain in full force and effect. The Executive hereby acknowledges that Sections 7 through 9 hereof shall be given the construction that renders the provisions valid and enforceable to the maximum extent, not exceeding their express terms, possible under applicable law. Notwithstanding anything to the contrary, the foregoing sentences of this Section 10 shall in no event apply to the extent their application would render Sections 7 through 9 hereof (or any portion thereof) unenforceable under applicable law. The Executive acknowledges that the provisions of Sections 7 through 9 hereof are reasonable and necessary to protect the legitimate interests of the Company, and that any violation of those provisions by the Executive would cause real, immediate, substantial and irreparable harm to the Company to such an extent that monetary damages alone would be an inadequate remedy therefor. Therefore, in the event of any actual or threatened breach of any provision of Sections 7 through 9 hereof, the Company shall, in addition to any other remedies it may have, be entitled to injunctive and other equitable relief to enforce such provisions and to restrain the Executive from violating or continuing to violate such provisions, and such relief may be granted without the necessity of proving actual monetary damages or posting bond. The Executive agrees

that the Restricted Period shall be tolled, and shall not run, during any period of time in which he or she is in violation of the terms of Section 9(a), 9(b) or 9(c), in order that the Company and its affiliates shall have all of the agreed-upon temporal protection recited herein. No breach of any provision of this Agreement by the Company, or any other claimed breach of contract or violation of law, or change in the nature or scope of the Executive's employment and/or service relationship with the Company, shall operate to extinguish the Executive's obligation to comply with Sections 7 through 9 hereof. The Company (including, without limitation, its affiliates) are third party beneficiaries under this Agreement and shall have the right to enforce all of the Executive's obligations to the Company under this Agreement, including without limitation pursuant to Sections 7 through 9 hereof, and the Company shall be entitled to assign its rights under Sections 7 through 9 hereof without the Executive's consent and any such assignees shall have the right to enforce all of the Executive's obligations to comply with Sections 7 through 9 hereof. The Executive covenants and agrees that he or she has received adequate consideration for his or her obligations contained in Sections 7 through 9 hereof, and will not take the position that the covenants contained in Sections 7 through 9 hereof are void for lack of consideration. The Executive will be responsible for any and all attorneys' fees and costs the Company incurs in enforcing the Executive's obligations contained in Sections 7 through 9 hereof.

11. Representations. The Executive hereby represents and warrants to the Company that (a) the Executive is entering into this Agreement voluntarily and that the performance of the Executive's obligations hereunder will not violate any agreement between the Executive and any other person, firm, organization or other entity, and (b) the Executive is not bound by the terms of any agreement with any previous employer or other party to refrain from competing, directly or indirectly, with the business of such previous employer or other party that would be violated by the Executive's entering into this Agreement and/or providing services to the Company pursuant to the terms of this Agreement.

12. Successors. This Agreement is personal to the Executive and, without the prior written consent of the Company, shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives. This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

13. Miscellaneous.

(a) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota, without reference to principles of conflict of laws. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect.

(b) Compensation Recovery Policy. Executive acknowledges and agrees that, to the extent the Company adopts any claw-back or similar policy pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act or otherwise, and any rules and regulations promulgated thereunder, he or she shall take all action necessary or appropriate to comply with such policy (including, without limitation, entering into any further agreements, amendments or policies necessary or appropriate to implement and/or enforce such policy with respect to past, present and future compensation, as appropriate).

(c) Whistleblower Protections and Trade Secrets. Notwithstanding anything to the contrary contained herein, nothing in this Agreement prohibits Executive from reporting possible violations of federal law or regulation to any United States governmental agency or entity in accordance with the provisions of and rules promulgated under Section 21F of the Securities Exchange Act of 1934 or Section 806 of the Sarbanes-Oxley Act of 2002, or any other whistleblower protection provisions of state or federal law or regulation (including the right to receive an award for information provided to any such government agencies). Furthermore, in accordance with 18 U.S.C. § 1833, notwithstanding anything to the contrary in this Agreement: (i) Executive shall not be in breach of this Agreement, and shall not be held criminally or

civilly liable under any federal or state trade secret law (A) for the disclosure of a trade secret that is made in confidence to a federal, state, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law, or (B) for the disclosure of a trade secret that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; and (ii) if Executive files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Executive may disclose the trade secret to Executive's attorney, and may use the trade secret information in the court proceeding, if Executive files any document containing the trade secret under seal, and does not disclose the trade secret, except pursuant to court order.

(d) Notices. All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive: at the Executive's most recent address on the records of the Company.

If to the Company:

Life Time Fitness, Inc.
2902 Corporate Place
Chanhassen, MN 55317
Attention: Executive Vice President & Chief Administrative Officer

with a copy to:

Latham & Watkins LLP
1271 Avenue of the Americas
New York, NY 10020
Attn: Austin Ozawa

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notice and communications shall be effective when actually received by the addressee.

(e) Sarbanes-Oxley Act of 2002. Notwithstanding anything herein to the contrary, if the Company determines, in its good faith judgment, that any transfer or deemed transfer of funds hereunder is likely to be construed as a personal loan prohibited by Section 13(k) of the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder (the "***Exchange Act***"), then such transfer or deemed transfer shall not be made to the extent necessary or appropriate so as not to violate the Exchange Act and the rules and regulations promulgated thereunder.

(f) Section 409A of the Code.

(i) To the extent applicable, this Agreement shall be interpreted in accordance with Section 409A of the Code and Department of Treasury regulations and other interpretive guidance issued thereunder (together, "***Section 409A***"). Notwithstanding any provision of this Agreement to the contrary, if the Company determines that any compensation or benefits payable under this Agreement may be subject to Section 409A, the Company shall work in good faith with the Executive to adopt such amendments to this Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Company determines are necessary or appropriate to avoid the imposition of taxes under Section 409A, including without limitation, actions intended to (i) exempt the compensation and benefits payable under this Agreement from Section 409A, and/or (ii) comply with the requirements of Section 409A; provided, however, that this Section 13(f) shall not create an obligation on the part of the Company to adopt any such amendment, policy or procedure or take any such other action, nor shall the Company have any liability for failing to do so.

(ii) Any right to a series of installment payments pursuant to this Agreement is to be treated as a right to a series of separate payments. To the extent permitted under Section 409A, any separate payment or benefit under this Agreement or otherwise shall not be deemed "nonqualified deferred compensation" subject to Section 409A to the extent provided in the exceptions in Treasury Regulation Section 1.409A-1(b)(4), Section 1.409A-1(b)(9) or any other applicable exception or provision of Section 409A. Any payments subject to Section 409A that are subject to execution of a waiver and release which may be executed and/or revoked in a calendar year following the calendar year in which the payment event (such as termination of employment) occurs shall commence payment only in the calendar year in which the consideration period or, if applicable, release revocation period ends, as necessary to comply with Section 409A. All payments of nonqualified deferred compensation subject to Section 409A to be made upon a termination of employment under this Agreement may only be made upon Employee's Separation from Service (as defined below) from the Company.

(iii) Notwithstanding anything to the contrary in this Agreement, no compensation or benefits, including without limitation any severance payments or benefits payable under Section 4 hereof, shall be paid to the Executive during the six (6)-month period following the Executive's "separation from service" from the Company (within the meaning of Section 409A, a "***Separation from Service***") if the Company determines that at the time of Executive's Separation from Service that Executive is a "specified employee" for purposes of Section 409A and paying such amounts at the time or times indicated in this Agreement would be a prohibited distribution under Section 409A(a)(2)(B)(i) of the Code. If the payment of any such amounts is delayed as a result of the previous sentence, then on the first day of the seventh month following the date of Separation from Service (or such earlier date upon which such amount can be paid under Section 409A without resulting in a prohibited distribution, including as a result of the Executive's death), the Company shall pay the Executive a lump-sum amount equal to the cumulative amount that would have otherwise been payable to the Executive during such period.

(iv) To the extent that any payments or reimbursements provided to the Executive under this Agreement are deemed to constitute compensation to the Executive to which Treasury Regulation Section 1.409A-3(i)(1)(iv) would apply, such amounts shall be paid or reimbursed reasonably promptly, but not later than December 31 of the year following the year in which the expense was incurred. The amount of any such payments eligible for reimbursement in one year shall not affect the payments or expenses that are eligible for payment or reimbursement in any other taxable year, and the Executive's right to such payments or reimbursement of any such expenses shall not be subject to liquidation or exchange for any other benefit.

(g) Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(h) Withholding. The Company may withhold from any amounts payable under this Agreement such federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(i) No Waiver. The Executive's or the Company's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right the Executive or the Company may have hereunder shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

(j) Entire Agreement. As of the Effective Date, this Agreement constitutes the final, complete and exclusive agreement between the Executive and the Company with respect to the subject matter hereof and replaces and supersedes any and all other agreements, offers or promises, whether oral or written, by any member of the Company and its subsidiaries or affiliates, or representative thereof, including without limitation the Prior Agreement; provided that nothing herein replaces or supersedes any non -disclosure,non-competition, non-solicitation or other similar agreement between the Company (or any subsidiaries thereof) and the Executive in effect on the Effective Date, each of which shall remain in full force and effect.

(k) Amendment. No amendment or other modification of this Agreement shall be effective unless made in writing and signed by the parties hereto.

(l) Counterparts. This Agreement and any agreement referenced herein may be executed simultaneously in two or more counterparts, each of which shall be deemed an original but which together shall constitute one and the same instrument. A facsimile, PDF (or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g. www.docusign.com) or any other type of copy of an executed version of this Agreement signed by a party is binding upon the signing party to the same extent as the original of the signed agreement.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Executive has hereunto set the Executive's hand and, pursuant to the authorization from the Board, the Company has caused these presents to be executed in its name on its behalf, all as of the day and year first above written.

LIFE TIME GROUP HOLDINGS, INC.

By: /s/ Bahram Akradi
Name: Bahram Akradi
Title: Founder, Chairman and Chief Executive Officer

EXECUTIVE

/s/ Jeffrey G. Zwiefel
Jeffrey G. Zwiefel

EXHIBIT A

Form of Release Agreement

This General Release of Claims (this "***Release***") is made by Jeffrey G. Zwiefel ("***Executive***") in favor of Life Time Group Holdings, Inc., a Delaware corporation (the "***Company***") and the "***Releasees***" (as defined below), as of the date of Executive's execution of this Release.

1. Release by Executive. In exchange for the benefits set forth in the certain Employment Agreement entered into by and between the Company and Executive, dated as of September 13, 2021, (the "***Agreement***") to which this Release is an exhibit, which are conditioned on Executive signing this Release, and to which Executive is not otherwise entitled, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Executive, his heirs, executors, administrators, beneficiaries, representatives, assigns and successors, and all others connected with or claiming through Executive, fully and forever agree to release and discharge the Company and the Company's parent and subsidiary corporations, and all of their respective past, present and future employee benefit plans, joint venturers, predecessors, successors, assigns, employees, officers, directors, shareholders, administrators, trustees, agents, representatives, and consultants, and all those connected with any of them, in their official and personal capacities (hereinafter the "***Releasees***") from any and all manner of claims, liabilities and actions, causes of action, in law or in equity, demands, suits, rights, or damages of any kind or nature, whether known or unknown, fixed or contingent (hereinafter called "***Claims***"), that Executive now has or may hereafter have against the Releasees arising out of, connected with or relating to Executive's employment by the Company and/or other relationship with the Company, or the termination of Executive's employment and/or other relationship, by reason of any and all acts, omissions, events or facts occurring or existing prior to Executive's execution of this Release. The Claims released hereunder, including without limitation, any claim of wrongful discharge, breach of contract, breach of the covenant of good faith and fair dealing, violation of public policy, defamation, discrimination, personal injury, physical injury, emotional distress, claims under the Age Discrimination in Employment Act, as amended, 29 U.S.C. § 621 et seq. ("***ADEA***"); the Older Workers' Protection Benefit Act of 1990; Title VII of the Civil Rights Act of 1964, as amended, by the Civil Rights Act of 1991, 42 U.S.C. § 2000 et seq.; Equal Pay Act, as amended, 29 U.S.C. § 206(d); the Civil Rights Act of 1866, 42 U.S.C. § 1981; the Family and Medical Leave Act of 1993, 29 U.S.C. § 2601 et seq.; the Americans with Disabilities Act of 1990, 42 U.S.C. § 12101 et seq.; the False Claims Act, 31 U.S.C. § 3729 et seq.; the Employee Retirement Income Security Act, as amended, 29 U.S.C. § 1001 et seq.; the Worker Adjustment and Retraining Notification Act ("***WARN***"), as amended, 29 U.S.C. § 2101 et seq.; the Fair Labor Standards Act, 29 U.S.C. § 215 et seq.; and any federal, state or local laws of similar effect.

2. Claims Not Released. This Release shall not apply to: the Company's obligations to provide the separation benefits under Section 4 of the Agreement; Executive's right to bring any action to enforce the terms of same or of this Release; Executive's right to indemnification under any applicable indemnification policy of the Company, including without limitation, any general liability or "directors and officers" insurance policy, any shareholders or other agreement with the Company (including pursuant to any individual indemnification agreement), the Company's governing documents or applicable law; Executive's right to assert claims for workers' compensation or unemployment benefits; Executive's right to bring to the attention of the Equal Employment Opportunity Commission ("***EEOC***") or any analogous state agency claims of discrimination, harassment or retaliation (provided, however, that Executive hereby agrees to waive Executive's right to recover monetary damages or other individual relief in any such charge, investigation or proceeding or any related complaint or lawsuit filed by Executive or anyone else on Executive's behalf), to the extent required by law; any right to communicate directly with, cooperate with, or provide information to, any federal, state or local government regulator; any right to file an unfair labor

practice charge under the National Labor Relations Act ("***NLRA***"); Executive's vested rights under any retirement or welfare benefit plan of the Company; any rights Executive may have to benefits under the Company's standard benefit programs; Executive's rights in his or her capacity as an equity holder of the Company; Executive's right to receive payment for accrued salary and any earned but unpaid Annual Bonus with respect to the year prior to the year in which Executive's date of termination of employment occurs for services rendered through Executive's last day of employment, and reimbursement for travel and business expenses properly incurred prior to the separation date, but unreimbursed; or any other rights that may not be waived by an employee under applicable law.

3. Older Worker's Benefit Protection Act. In accordance with the Older Worker's Benefit Protection Act, Executive is hereby advised as follows:

(a) Executive has read this Release and understands its terms and effect, including the fact that Executive is agreeing to release and forever discharge the Company and each of the Releasees from any Claims released in this Release.

(b) Executive understands that, by entering into this Release, Executive does not waive any Claims that may arise after the date of Executive's execution of this Release, including without limitation any rights or claims that Executive may have to secure enforcement of the terms and conditions of this Release.

(c) Executive has signed this Release voluntarily and knowingly in exchange for the consideration described in this Release, which Executive acknowledges is adequate and satisfactory to Executive and in addition to any other benefits to which Executive is otherwise entitled.

(d) The Company advises Executive to consult with an attorney prior to executing this Release.

(e) Executive has twenty-one (21) days [forty-five (45) days)][1] to review and decide whether or not to sign this Release. If Executive signs this Release prior to the expiration of such period, Executive acknowledges that Executive has done so voluntarily, had sufficient time to consider the Release, to consult with counsel and that Executive does not desire additional time and hereby waives the remainder of the twenty-one (21) day period. In the event of any changes to this Release, whether or not material, Executive waives the restarting of the twenty-one (21) day period.

(f) Executive has seven (7) days after signing this Release to revoke this Release and this Release will become effective upon the expiration of that revocation period. If Executive revokes this Release during such seven (7)-day period, this Release will be null and void and of no force or effect on either the Company or Executive and Executive will not be entitled to any of the payments or benefits which are expressly conditioned upon the execution and non-revocation of this Release.

If Executive wishes to revoke this Release, Executive shall deliver written notice stating his or her intent to revoke this Release to [NAME, OFFICER TITLE, DEPARTMENT, ADDRESS], on or before 5:00 p.m. on the seventh (7th) day after the date on which Executive signs this Release.

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1 Note to Draft: Include instead of twenty-one days in this paragraph (e) if termination is part of a group termination/layoff.

4. Representations.

(a) Executive represents and warrants that there has been no assignment or other transfer of any interest in any Claim which he or she may have against Releasees, or any of them, based on actions occurring prior to the date of this Agreement.

(b) Executive represents that, as of the date of execution of this Release, he has not filed any lawsuits, charges, complaints, petitions, administrative claims or other accusatory pleadings in any court or with any governmental agency against any of the Releasees.

5. Exceptions. Notwithstanding anything in this Release to the contrary, nothing contained in this Release shall prohibit Executive (or Executive's attorney) from (i) filing a charge with, reporting possible violations of federal law or regulation to, participating in any investigation by, or cooperating with the U.S. Securities and Exchange Commission ("***SEC***"), the Financial Industry Regulatory Authority, the EEOC, the NLRB, the Occupational Safety and Health Administration, the U.S. Commodity Futures Trading Commission, the U.S. Department of Justice or any other securities regulatory agency, self-regulatory authority or federal, state or local regulatory authority (collectively, "***Government Agencies***"), or making other disclosures that are protected under the whistleblower provisions of applicable law or regulation, (ii) communicating directly with, cooperating with, or providing information (including trade secrets) in confidence to any Government Agencies for the purpose of reporting or investigating a suspected violation of law, or from providing such information to Executive's attorney or in a sealed complaint or other document filed in a lawsuit or other governmental proceeding, and/or (iii) receiving an award for information provided to any Government Agency. Pursuant to 18 USC Section 1833(b), Executive will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made: (x) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (y) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Further, nothing in this Release is intended to or shall preclude Executive from providing truthful testimony in response to a valid subpoena, court order, regulatory request or other judicial, administrative or legal process or otherwise as required by law.

6. Miscellaneous.

(a) *Severability*. If any sentence, phrase, section, subsection or portion of this Release is found to be illegal or unenforceable, such action shall not affect the validity or enforceability of the remaining sentences, phrases, sections, subsections or portions of this Release, which shall remain fully valid and enforceable.

(b) *Headings*. The headings in this Release are provided solely for convenience, and are not intended to be part of, nor to affect or alter the interpretation or meaning of, this Release.

(c) *Construction of Agreement.* Executive has been represented by, or had the opportunity to be represented by, counsel in connection with the negotiation and execution of this Release. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in the construction or interpretation of this Release.

(d) *Entire Agreement/Integration.* This Release, together with the Agreement, constitutes the entire agreement between Executive and the Company concerning the subject matter hereof. No covenants, agreements, representations, or warranties of any kind, other than those set forth herein, have been made to any party hereto with respect to this Release. All prior discussions and negotiations have been and are merged and integrated into, and are superseded by, this Release. No amendments to this Release will be valid unless written and signed by Executive and an authorized representative of the Company.

Sign only on or within [twenty-one (21)][forty-five (45) days after [DATE]

[EXECUTIVE]

Date:_____

_____

[NAME]

EXHIBIT B

LIMITED EXCLUSION NOTIFICATION

THIS IS TO NOTIFY YOU that, notwithstanding anything to the contrary in that certain Employment Agreement entered into by and between Life Time Group Holdings, Inc. and you, dated as of September 13, 2021, (the "***Agreement***") to which this is an exhibit, the Agreement does not require assignment of any invention to the extent such invention qualifies for protection under Section 181.78 of the 2015 Minnesota Statutes, as may be amended from time to time. The current text of the aforementioned statute is attached hereto as Annex 1.

I,_____ , acknowledge receipt of a copy of this notification (and the annex thereto).

_____

_____

Date

Annex 1

Section 181.78 of the 2015 Minnesota Statutes

As of the date of this Agreement, Section 181.78 of the 2015 Minnesota Statutes is as follows:

181.78 AGREEMENTS; TERMS RELATING TO INVENTIONS.

Subdivision 1. **Inventions not related to employment**. Any provision in an employment agreement which provides that an employee shall assign or offer to assign any of the employee's rights in an invention to the employer shall not apply to an invention for which no equipment, supplies, facility or trade secret information of the employer was used and which was developed entirely on the employee's own time, and (1) which does not relate (a) directly to the business of the employer or (b) to the employer's actual or demonstrably anticipated research or development, or (2) which does not result from any work performed by the employee for the employer. Any provision which purports to apply to such an invention is to that extent against the public policy of this state and is to that extent void and unenforceable.

Subd. 2. **Effect of subdivision 1**. No employer shall require a provision made void and unenforceable by subdivision 1 as a condition of employment or continuing employment.

Subd. 3. **Notice to employee**. If an employment agreement entered into after August 1, 1977 contains a provision requiring the employee to assign or offer to assign any of the employee's rights in any invention to an employer, the employer must also, at the time the agreement is made, provide a written notification to the employee that the agreement does not apply to an invention for which no equipment, supplies, facility or trade secret information of the employer was used and which was developed entirely on the employee's own time, and (1) which does not relate (a) directly to the business of the employer or (b) to the employer's actual or demonstrably anticipated research or development, or (2) which does not result from any work performed by the employee for the employer.

Exhibit 10.31

Execution Version

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "***Agreement***"), entered into as of September 13, is made by and between Life Time Group Holdings, Inc. ("***Life Time***", and together with any of its subsidiaries and affiliates as may employ Executive from time to time, and any successor(s) thereto, the "***Company***" (except as set forth in Section 9(a)) and Ritadhwaja Jebens (RJ) Singh (the "***Executive***") (collectively referred to herein as the "***Parties***"). This Agreement shall be effective as of the date of closing of the initial public offering of the Company (or such other date mutually agreed in writing between the parties) (such date, the "***Effective Date***"). If the initial public offering of the Company does not occur on or prior to January 1, 2022, this Agreement will be void *ab initio.*

WHEREAS, the Executive is currently employed by the Company as its Executive Vice President & Chief Digital Officer;

WHEREAS, it is the desire of the Company to continue to assure itself of the services of Executive following the Effective Date upon the terms and conditions of this Agreement; and

WHEREAS, the Executive desires to provide services to the Company on the terms herein provided.

NOW, THEREFORE, in consideration of the promises and the mutual agreements and covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Company and Executive, the parties agree as follows:

1. Employment Period. Subject to the provisions for earlier termination hereinafter provided, the initial term of the Executive's employment hereunder shall be for a term (the "***Initial Employment Period***") commencing on the Effective Date and ending on the third anniversary of the Effective Date. The Initial Employment Period shall automatically be extended for successive one-year periods (each, an "***Extension Employment Period***" and, together with the Initial Employment Period, the "***Employment Period***"), unless either Party gives written notice ofnon-extension to the other no later than ninety (90) days prior to the expiration of the then-applicable Employment Period, in which case Executive's employment will terminate at the end of the then-applicable Employment Period, subject to earlier termination as provided in Section 3 below.

2. Terms of Employment.

(a) Position and Duties.

(i) Role and Responsibilities. During the Employment Period, the Executive shall serve as Executive Vice President & Chief Digital Officer of Life Time, and shall perform such employment duties as are usual and customary for such positions (subject to Section 3(d)(i)). The Executive shall report directly to the Chief Executive Officer of Life Time (or his or her designee). Executive will use Executive's best efforts to promote the interests, prospects and condition (financial and otherwise) and welfare of the Company and shall perform Executive's fiduciary duties and responsibilities to the Company to the best of Executive's ability in a diligent, trustworthy, businesslike and efficient manner. Executive agrees that Executive will observe and comply with the Company's rules and policies as adopted by the Company and in effect from time to time. At the Company's request, the Executive shall serve the Company and/or its subsidiaries and affiliates in other capacities in addition to the foregoing, consistent with the Executive's position as Executive Vice President & Chief Digital Officer of Life Time. In the event that the Executive, during the Employment Period, serves in any one or more of such additional capacities, the Executive's compensation shall not be increased beyond that specified in Section 2(b) hereof. In addition, in the event the Executive's service in one or more of such additional capacities is terminated, the Executive's compensation, as specified in Section 2(b) hereof, shall not be diminished or reduced in any manner as a result of such termination provided that the Executive otherwise remains employed under the terms of this Agreement.

(ii) Exclusivity. During the Employment Period, and excluding any periods of vacation and sick leave to which the Executive may be entitled, the Executive agrees to devote his or her full business time and attention to the business and affairs of the Company. Executive shall not engage in outside business activities (including serving on outside boards or committees) without the prior written consent of the Board of Directors of Life Time (the "***Board***") (which shall not be unreasonably withheld);*provided* that Executive shall be permitted to (i) manage Executive's personal, financial and legal affairs, (ii) participate in trade associations and charitable and community affairs and (iii) serve on one outside board of directors or advisory board, subject to the prior written consent of the Company's Chief Executive Officer, in each case, to the extent such actions do not result in any violation of Sections 7 through 9.

(iii) Principal Location. During the Employment Period, the Executive shall perform the services required by this Agreement at the Company's principal offices located in Chanhassen, Minnesota or such other location mutually agreed upon by the Company and the Executive (the "***Principal Location***"), except for travel to other locations as may be necessary or appropriate to fulfill the Executive's duties and responsibilities hereunder.

(b) Compensation, Benefits, Etc. Subject to Section 3(d)(i):

(i) Base Salary. During the Employment Period, the Executive shall receive a base salary (the "***Base Salary***") of $600,000 per annum. The Base Salary shall be subject to review from time to time by the Board or its delegate in its discretion. The Base Salary shall be paid in accordance with the Company's normal payroll practices.

(ii) Annual Cash Bonus. In addition to the Base Salary, the Executive shall be eligible to earn, for each fiscal year of the Company ending during the Employment Period commencing in fiscal year 2022, a discretionary cash performance bonus (an "***Annual Bonus***") under the Company's bonus plan or program applicable to senior executives. The Executive's target Annual Bonus shall be set at 67% of the Base Salary actually paid for such year (the "***Target Bonus***"). The actual amount of any Annual Bonus shall be determined by reference to the attainment of Company performance metrics and/or individual performance objectives, in each case, as determined by the Board or the Compensation Committee or similar committee in its discretion, and may be greater or less than the Target Bonus. Subject to Section 4(a) hereof, payment of any Annual Bonus(es), to the extent any Annual Bonus(es) become payable, will be made at the same time bonuses are paid to other similarly-situated executives of the Company generally, contingent upon the Executive's continued employment through the applicable payment date.

(iii) Benefits. During the Employment Period, the Executive (and the Executive's spouse and/or eligible dependents to the extent provided in the applicable plans and programs) shall be eligible to participate in and be covered under the health and welfare benefit plans and programs maintained by the Company for the benefit of its employees from time to time, subject to the terms of such plans and programs including any medical and dental insurance plans and programs. In addition, during the Employment Period, Executive shall be eligible to participate in any retirement, savings and other employee benefit plans and programs maintained from time to time by the Company for the benefit of its senior executive officers generally. Notwithstanding the foregoing, nothing contained in this Section 2(b)(iii) shall create or be deemed to create any obligation on the part of the Company to adopt or maintain any health, welfare, retirement or other benefit plan or program at any time or to create any limitation on the Company's ability to modify or terminate any such plan or program.

(iv) Expenses. During the Employment Period, the Executive shall be entitled to receive reimbursement for all reasonable business expenses incurred by the Executive in accordance with the policies, practices and procedures of the Company.

(v) Vacation. During the Employment Period, the Executive shall be entitled to paid vacation in accordance with the plans, policies, programs and practices of the Company applicable to its senior executives in effect from time to time.

(vi) Equity Awards. During the Employment Period, Executive will be eligible to participate in the Company's equity incentive plan then in effect and receive equity awards thereunder, as determined by the Board or the Compensation Committee (or similar committee) of the Board in its sole discretion and subject to the terms of the Company's equity incentive plan then in effect and an applicable award agreement.

3. Termination of Employment.

(a) Death or Disability. The Executive's employment shall terminate automatically upon the Executive's death during the Employment Period. Either the Company or the Executive may terminate the Executive's employment in the event of the Executive's Disability during the Employment Period. For purposes of this Agreement, "***Disability***" shall mean: Executive's inability to perform on a full-time basis the duties and responsibilities of Executive's employment with the Company by reason of Executive's illness or other physical or mental impairment or condition, as determined by a physician mutually acceptable to Executive and the Company, if such inability continues for an uninterrupted period of 90 days or more during any 365-day period. A period of inability shall be "uninterrupted" unless and until Executive returns to full-time work from the above-referenced leave for a continuous period of at least 180 days, excluding vacation days or sick days taken for reasons unrelated to the illness or other physical or mental impairment or condition necessitating the above-referenced leave.

(b) Termination by the Company. The Company may terminate the Executive's employment during the Employment Period for Cause or without Cause. For purposes of this Agreement, "***Cause***" shall mean the occurrence of any one or more of the following events unless, to the extent capable of correction, the Executive fully corrects the circumstances constituting Cause within thirty (30) days after receipt of the Notice of Termination (as defined below):

(i) repeated and willful or grossly negligent failure to perform the Executive's material duties on behalf of the Company;

(ii) the Executive's willful or grossly negligent violation of any material Company rule, procedure or policy, or breach of any non-disclosure, non-competition, non-solicitation or other similar agreement between the Company (or any subsidiaries thereof) and the Executive;

(iii) the Executive's plea of *nolo contendere* to, or conviction of a felony, a crime of moral turpitude or a misdemeanor involving fraud or dishonesty (other than minor traffic violations or similar offenses) or that could reasonably be expected to result in material harm, whether business, financial, reputational or otherwise, to the Company or its subsidiaries;

(iv) the perpetration of any act of fraud, embezzlement or material dishonesty against or affecting the Company, any of its subsidiaries, or any customer, agent or employee thereof;

(v) material breach of fiduciary duty or material breach of this Agreement (or any other written agreement by and between the Executive and the Company) by Executive;

(vi) repeated insolent or abusive conduct in the workplace, including but not limited to, harassment of others of a racial or sexual nature; or

(vii) engaging in any act of material self-dealing without prior notice to and consent by the Board.

(c) Termination by the Executive. The Executive's employment may be terminated by the Executive for any reason, including with Good Reason or by the Executive without Good Reason. For purposes of this Agreement, "***Good Reason***" shall mean the occurrence of any one or more of the following events without the Executive's prior written consent, unless the Company fully corrects the circumstances constituting Good Reason (provided such circumstances are capable of correction) as provided below:

(i) The Company has breached any material term(s) or material condition(s) of this Agreement;

(ii) A requirement imposed by the Company on the Executive that Executive's principal place of employment be anywhere other than within a 75 mile radius of the Executive's Principal Location, and the relocation results in a material change to the geographic location at which the Executive performs services;

(iii) A material reduction in the Executive's Base Salary or Target Bonus as then in effect, other than in connection with an across-the-board reduction affecting other similarly situated executives of the Company or as otherwise contemplated by Section 3(d)(i); or

(iv) The Company has assigned duties and responsibilities to Executive that are materially inconsistent with Executive's position, duties or responsibilities as set forth in this Agreement, such that there occurs a material reduction in Executive's duties, responsibilities or authority as set forth in this Agreement, other than as contemplated by Section 3(d)(i).

Notwithstanding the foregoing, the Executive will not be deemed to have resigned for Good Reason unless (1) the Executive provides the Company with written notice setting forth in reasonable detail the facts and circumstances claimed by the Executive to constitute Good Reason within ninety (90) days after the date of the occurrence of any event that the Executive knows or should reasonably have known to constitute Good Reason, (2) the Company fails to cure such acts or omissions within thirty (30) days following its receipt of such notice, and (3) the effective date of the Executive's termination for Good Reason occurs no later than thirty (30) days after the expiration of the Company's cure period.

(d) Notice of Suspension or Termination.

(i) Notwithstanding anything to the contrary herein, in the event of the Executive's arrest or indictment for a felony, crime or misdemeanor described in Section 3(b)(iii), the Company shall have the right (but not obligation) to suspend the Executive without compensation of any kind until such time as either (A) a court of competent jurisdiction makes a final determination as to the Executive's guilt or innocence or (B) the Executive pleads *nolo contendere* to such alleged such felony or crime; provided that, if the court makes a final determination that the Executive should be acquitted of such felony or crime, the Company shall either (x) reinstate the Executive and pay to the Executive the amount of Base Salary that was withheld pursuant to this Section 3(d)(i) within 30 days following such reinstatement, or (y) terminate the Executive's employment pursuant to Section 3(b) and pay any severance required in accordance with Section 4. For the avoidance of doubt, the Company retains the right to terminate the Executive's employment with the Company at any time during or following such period of suspension pursuant to Section 3(b).

(ii) Any termination by the Company for Cause, or by the Executive for Good Reason, shall be communicated by a Notice of Termination to the other parties hereto given in accordance with Section 13(d) hereof. For purposes of this Agreement, a "***Notice of Termination***" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated and (iii) if the Date of Termination (as defined below) is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than thirty (30) days after the giving of such notice). The failure by the Executive or the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason or Cause shall not waive any right of the Executive or the Company, respectively, hereunder or preclude the Executive or the Company, respectively, from asserting such fact or circumstance in enforcing the Executive's or the Company's rights hereunder.

(e) Termination of Offices and Directorships; Return of Property. Upon termination of the Executive's employment for any reason, unless otherwise specified in a written agreement between the Executive and the Company, the Executive shall be deemed to have resigned from all offices, directorships, and other employment positions if any, then held with the Company, and shall take all actions reasonably requested by the Company to effectuate the foregoing. In addition, upon the termination of the Executive's employment for any reason, the Executive agrees to return to the Company all documents of the Company and its affiliates (and all copies thereof) and all other Company or Company affiliate property that the Executive has in his or her possession, custody or control. Such property includes, without limitation: (i) any materials of any kind that the Executive knows contain or embody any proprietary or confidential information of the Company or an affiliate of the Company (and all reproductions thereof), (ii) computers (including, but not limited to, laptop computers, desktop computers and similar devices) and other portable electronic devices (including, but not limited to, tablet computers), cellular phones/smartphones, credit cards, phone cards, entry cards, identification badges and keys, and (iii) any correspondence, drawings, manuals, letters, notes, notebooks, reports, programs, plans, proposals, financial documents, or any other documents concerning the customers, business plans, marketing strategies, products and/or processes of the Company or any of its affiliates and any information received from the Company or any of its affiliates regarding third parties.

4. Obligations of the Company upon Termination. Upon a termination of the Executive's employment for any reason, the Executive shall be entitled to receive, in a single lump-sum payment, (i) the aggregate amount of the Executive's earned but unpaid Base Salary, (ii) any unpaid Annual Bonus earned by Executive for the year prior to the year in which the Date of Termination occurs, (iii) reimbursement of expenses to which Executive is entitled and (iv) any other benefits to which Executive is legally entitled (collectively, the "***Accrued Obligations***").

(a) Without Cause, For Good Reason or Due to Company Non-Extension. If the Executive's employment with the Company is terminated (1) during the Employment Period (x) by the Company without Cause (other than by reason of the Executive's death or Disability) or due to the Company's non-extension of the Employment Period or (y) by the Executive for Good Reason or (2) at the end of the Employment Period due to the Company's non-extension of the Employment Period (in either case, a "***Qualifying Termination***"), then following the date of such termination of employment (such date, the "***Date of Termination***"), in addition to the Accrued Obligations:

(i) *Target Compensation Continuation*. The Company shall continue to pay to the Executive an amount equal to 50% of the sum of the Executive's (1) Base Salary and (2) Target Bonus in effect as of the Date of Termination (the amount of such sum, the "***Total Target Compensation***"), but not to exceed a maximum amount of two times the lesser of: (x) the Code § 401(a)(17) compensation limit for the year in which the Date of Termination occurs; or (y) the sum of Executive's annualized compensation based upon the annual rate of pay for services provided to the Company for the calendar year prior to the calendar year in which the Date of Termination occurs (adjusted for any increase during that year that was expected to continue indefinitely) (the "***Target Compensation Continuation Amount***"). Such Target Compensation Continuation Amount shall be paid during the period beginning on the Date of Termination and ending on the six (6) month anniversary of the Date of Termination in installments in accordance with the Company's regular payroll practices as of the Date of Termination, provided that to the extent any portion of such payment is delayed pursuant to Section 4(a)(v), such portion shall be paid in a lump sum on the first payroll date following the 60th day following the Date of Termination. The Company and the Executive intend the payments under this Section 4(a)(i) to constitute a "separation pay plan due to involuntary separation from service" pursuant to Treas. Reg. § 1.409A-1(b)(9)(iii).

(ii) *Potential Make-Up Payment.* In the event that the Target Compensation Continuation Amount is reduced under Section 4(a)(i) from 50% of Executive's Total Target Compensation as of the Date of Termination by application of clause (x) or (y) thereof, then the Company shall make an additional lump sum payment to the Executive equal to the difference between (x) 50% of Executive's Total Target Compensation as of the Date of Termination, and (y) the amount to be paid to the Executive under Section 4(a)(i) as a result of the application of clause (x) or (y) thereof. Such payment will be paid to the Executive on the Company's first regular payroll after the Executive executes and delivers to the Company the Release (as defined below) and after the expiration of an applicable revocation period, if any, but in no event later than 75 days after the Date of Termination. The Company and Executive intend the payments under this Section 4(a)(ii) to be a "short-term deferral" under Treas. Reg. § 1.409A-1(b)(4).

(iii) *Supplemental Target Compensation Continuation.* The Company will pay to Executive an additional amount equal to 100% of Executive's Total Target Compensation as of the Date of Termination (the "***Supplemental Target Compensation Continuation Amount***"). Such Supplemental Target Compensation Continuation Amount shall be paid to Executive in equal installments in accordance with the Company's regular payroll schedule, commencing on the first regular payroll date of the Company that occurs following completion of all payments under Section 4(a)(i) (and in any event commencing no earlier than the first day of the seventh month after the Date of Termination) and continuing for twelve (12) months. The Company and Executive intend the payments under this Section 4(a)(iii) to be deferred compensation payable either in accordance with the "short-term deferral" exception under Treas. Reg. § 1.409A-1(b)(4) or in compliance with the requirements of Section 409A of the Code.

(iv) *COBRA*. During the period beginning on the Date of Termination and ending on the eighteen (18) month anniversary of the Date of Termination (or, if shorter, during the period commencing on the date of Executive's Qualifying Termination and ending on the date on which Executive becomes eligible for coverage under any group health plan of a subsequent employer or otherwise) (in any case, the "***Benefits Continuation Period***"), subject to the Executive's valid election to continue healthcare coverage under Section 4980B of the Internal Revenue Code and the regulations thereunder (together, the "***Code***"), the Company shall continue to provide the Executive and the Executive's eligible dependents with coverage under its group health plans at the same levels and the same cost to the Executive as would have applied if the Executive's employment had not been terminated based on the Executive's elections in effect on the Date of Termination (the "***COBRA Payments***"), provided, however, that (A) if any plan pursuant to which such benefits are provided is not, or ceases prior to the expiration of the period of continuation coverage to be, exempt from the application of Section 409A (as defined below) under Treasury Regulation Section 1.409A-1(a)(5), or (B) the Company is otherwise unable to continue to cover the Executive under its group health plans without incurring penalties (including without limitation, pursuant to Section 2716 of the Public Health Service Act or the Patient Protection and Affordable Care Act), then, in either case, an amount equal to each remaining Company subsidy shall thereafter be paid to the Executive in substantially equal monthly installments over the Benefits Continuation Period (or the remaining portion thereof).

(v) *Release*. Notwithstanding the foregoing, it shall be a condition to the Executive's right to receive the amounts provided for in Sections 4(a) hereof, as applicable, that the Executive continue to comply with Executive's obligations under Sections 7 through 9 hereof and execute and deliver to the Company an effective release of claims in substantially the form attached hereto as Exhibit A (the "***Release***") within twenty-one (21) days (or, to the extent required by law, forty-five (45) days) following the Date of Termination and that the Executive not revoke such Release during any applicable revocation period.

(b) For Cause, Without Good Reason or Other Terminations. If the Company terminates the Executive's employment for Cause, the Executive terminates the Executive's employment without Good Reason, or the Executive's employment terminates for any other reason not enumerated in Sections 4(a) or 4(b) hereof, in any case, during the Employment Period, or if the Executive's employment with the Company is terminated due to the Executive's non-extension of the Employment Period, then, in any case, the Company shall pay to the Executive the Accrued Obligations in cash within thirty (30) days after the Date of Termination (or by such earlier date as may be required by applicable law), and the Executive shall have no further rights hereunder. Notwithstanding the foregoing, in the event the Executive's termination is by reason of the Executive's death or Disability, Executive will be entitled, subject to the timely execution and non-revocation of a Release (as described above), Executive will be entitled to receive apro-rated portion (based on the number of days Executive was employed by the Company during the calendar year in which the date of Executive's termination occurs) of the Annual Bonus that Executive would have earned had Executive remained employed through the end of the calendar year in which Executive's Date of Termination occurs, as determined by the Board in good faith. If and to the extent earned, such pro-rated Annual Bonus shall be paid out at the same time annual bonuses are paid generally to other executives of the Company for the relevant year, less applicable withholdings and deductions (but in no event later than the end of the calendar year following the calendar year to which such Annual Bonus relates).

(c) Exclusive Benefits. Except as expressly provided in this Section 4 and subject to Section 5 hereof, the Executive shall not be entitled to any additional payments or benefits upon or in connection with the Executive's termination of employment.

5. Non-Exclusivity of Rights. Amounts which are vested benefits or which the Executive is otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Company at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement except as explicitly modified by this Agreement.

6. Excess Parachute Payments, Limitation on Payments.

(a) Best Pay Cap. Notwithstanding any other provision of this Agreement, in the event that any payment or benefit received or to be received by the Executive (including any payment or benefit received in connection with a termination of the Executive's employment, whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement) (all such payments and benefits, including the payments and benefits under Section 4 hereof, being hereinafter referred to as the "***Total Payments***") constitute parachute payments within the meaning of Section 280G of the Code and would be subject (in whole or part), to the excise tax imposed under Section 4999 of the Code (the "***Excise Tax***"), then, after

taking into account any reduction in the Total Payments provided by reason of Section 280G of the Code in such other plan, arrangement or agreement, the cash payments under this Agreement shall first be reduced, and the noncash payments hereunder shall thereafter be reduced, to the extent necessary so that no portion of the Total Payments is subject to the Excise Tax but only if (i) the net amount of such Total Payments, as so reduced (and after subtracting the net amount of federal, state and local income taxes on such reduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such reduced Total Payments) is greater than or equal to (ii) the net amount of such Total Payments without such reduction (but after subtracting the net amount of federal, state and local income taxes on such Total Payments and the amount of Excise Tax to which the Executive would be subject in respect of such unreduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such unreduced Total Payments).

(b) Certain Exclusions. For purposes of determining whether and the extent to which the Total Payments will be subject to the Excise Tax, (i) no portion of the Total Payments the receipt or enjoyment of which the Executive shall have waived at such time and in such manner as not to constitute a "payment" within the meaning of Section 280G(b) of the Code shall be taken into account; (ii) no portion of the Total Payments shall be taken into account which, in the written opinion of an independent, nationally recognized accounting or consulting firm (the "***Independent Advisors***") selected by the Company, does not constitute a "parachute payment" within the meaning of Section 280G(b)(2) of the Code (including by reason of Section 280G(b)(4)(A) of the Code) and, in calculating the Excise Tax, no portion of such Total Payments shall be taken into account which, in the opinion of the Independent Advisors, constitutes reasonable compensation for services actually rendered, within the meaning of Section 280G(b)(4)(B) of the Code, in excess of the "base amount" (as defined in Section 280G(b)(3) of the Code) allocable to such reasonable compensation; and (iii) the value of any non-cash benefit or any deferred payment or benefit included in the Total Payments shall be determined by the Independent Advisors in accordance with the principles of Sections 280G(d)(3) and (4) of the Code.

7. Restrictive Covenants and Confidentiality. The parties acknowledge and agree that (a) the provisions and covenants contained in Sections 7 through 9 hereof (i) are material to this Agreement, (ii) are provided for, among other things, the protection of the Company's trade secrets, confidential and commercially-sensitive information, client and customer relationships, goodwill and reputation (which is an honest and just purpose), (iii) are reasonable in geographic and temporal scope and (iv) do not impose a greater restriction or restraint than is necessary to protect the Company's trade secrets, confidential and commercially-sensitive information, client and customer relationships and contacts, goodwill, reputation and other legitimate business interests, (b) the Executive (i) is employed by the Company, (ii) has been and/or will be provided with confidential and commercially-sensitive information regarding the Company and its business during his or her employment and/or service with the Company, and (iii) provides special, unique and extraordinary services to the Company, (c) the provisions of Sections 7 through 9 hereof do not adversely affect the Executive's ability to earn a living in any capacity, stifle the Executive's ability to use his or her inherent skills and experience, or otherwise impose undue hardship or oppression on the Executive, and (d) the Executive's continuation of employment under this Agreement, and the compensation and benefits described in this Agreement, constitute sufficient consideration for all of the Executive's covenants contained in Sections 7 through 9 hereof.

(a) Except as permitted by the Board, during the term of the Executive's employment and/or service with the Company and at all times thereafter, the Executive shall not divulge, furnish or make accessible to anyone or use in any way other than in the ordinary course of the business of the Company, any confidential, proprietary or secret knowledge or information of the Company or any of its affiliates, whether developed by the Executive or others, including but not limited to (i) trade secrets, (ii) confidential and proprietary plans, developments, research, processes, designs, methods or material (whether or not patented or patentable), (iii) customer and supplier lists, (iv) strategic or other business,

marketing or sales plans, (v) financial data and plans and (vi) Proprietary Information. "***Proprietary Information***" is defined as (i) the name, address and/or contact information of any customer, supplier or affiliate of the Company or any information concerning the transactions or relations of any customer, supplier or affiliate of the Company or any of its shareholders; (ii) any information concerning any product, service, technology or procedure offered or used by the Company or any of its affiliates, or under development by or being considered for use by the Company or any of its affiliates; (iii) any information relating to marketing or pricing plans or methods, capital structure, or any business or strategic plans of the Company or any of its affiliates; (iv) any inventions, innovations, trade secrets or other items covered by Section 8 below; and (v) any other information which the Company or any of its affiliates has determined and communicated to the Executive in writing to be proprietary information for purposes hereof; *provided*, *however*, that "Proprietary Information" shall not include any information that is or becomes generally known to the public other than through actions of the Executive in violation of the restrictive covenants set forth in Sections 7 through 9 hereof. The Executive acknowledges that the above-described knowledge and information constitute unique and valuable assets of the Company and represent a substantial investment of time and expense by the Company, and that any disclosure or other use of such knowledge or information other than for the sole benefit of the Company would be wrongful and would cause irreparable harm to the Company. During the term of the Executive's employment and/or service with the Company, the Executive shall refrain from any acts or omissions that would reduce the value of such knowledge or information to the Company. The foregoing obligations of confidentiality shall not apply to any knowledge or information that (x) is now or subsequently becomes generally publicly known for reasons other than the Executive's violation of this Agreement, (y) is independently made available to the Executive in good faith by a third party who has not violated a confidential relationship with the Company, or (z) is required to be disclosed by legal process, other than as a direct or indirect result of the breach of this Agreement by the Executive.

(b) If, during the Executive's employment and/or service with the Company, the Executive is engaged in or associated with the planning or implementing of any project, program or venture involving the Company, all rights in such project, program or venture shall belong to the Company, as applicable. Except as approved in writing by the Board, the Executive shall not be entitled to any interest in any such project, program or venture or to any commission, finder's fee or other compensation in connection therewith. The Executive shall have no interest, direct or indirect, in any customer or supplier that conducts business with the Company, provided that a passive investment of less than 2.5% of the outstanding shares of capital stock of any customer or supplier listed on a national securities exchange or publicly traded in the over-the-counter market shall not constitute a breach of this sentence.

8. Inventions and Proprietary Rights.

(a) All right, title and interest in all discoveries, inventions, improvements, innovations and other material that the Executive shall conceive or originate individually or jointly or commonly with others during the term of the Executive's employment and/or service with the Company (i) that are directly related to the business of the Company or to the Company's actual or demonstrably anticipated research or development, or that results from any work performed by the Executive for the Company, (ii) for which any equipment, supplies, facility or trade secret information of the Company was used and/or (iii) which was not developed entirely on the Executive's own time, whether or not patentable, copyrightable, or registrable as a trademark ("***Protectable Material***"), shall be the property of the Company and are hereby assigned by the Executive to the Company (and the Executive agrees to assign all Protectable Material to the Company in the future), along with ownership of any and all patents, copyrights, trademarks and other intellectual property rights in the Protectable Material. Upon request and without further compensation therefor, but at no expense to the Executive, the Executive shall execute any and all papers and perform all other acts necessary to assist the Company to obtain and register patents, copyrights, trademarks and other intellectual property rights on the Protectable Materials in any and all countries. Where applicable, works of authorship created by the Executive for the Company in performing the Executive's duties and responsibilities hereunder shall be considered "works made for hire," as defined in the U.S. Copyright Act.

(b) All trade secret information conceived or originated by the Executive that arises during the term of the Executive's employment and/or service with the Company and out of the performance of the Executive's duties and responsibilities to the Company or any related material or information shall be the property of the Company, and all rights therein are hereby assigned by the Executive to the Company.

(c) Notwithstanding the foregoing, the Executive understands that this Agreement does not require assignment of any invention to the extent such invention qualifies for protection under Section 181.78 of the 2015 Minnesota Statutes, as may be amended from time to time, and the current text of which is attached hereto as Annex 1 to Exhibit B. The Executive hereby acknowledges that the Company has provided him or her with the notification set forth on Exhibit B (and the annex attached thereto) on the date hereof and the Executive shall sign such notification as soon as reasonably practicable after the date hereof.

(d) Notwithstanding the foregoing, the Executive understands that pursuant to the Defend Trade Secrets Act of 2016, the Executive shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

9. Non-Compete; Non-Solicitation; Non-Disparagement.

(a) During the term of the Executive's employment and/or service with the Company and during the24-month period following the date of termination thereof (the "***Restricted Period***"), regardless of the reason for such termination and regardless of whether the termination is initiated by the Company or Executive, the Executive shall not, directly or indirectly, engage in any manner or capacity (including without limitation as a proprietor, owner, principal, agent, partner, officer, director, employee, member of any association, consultant or otherwise) in any Company Business (as defined below) in the Territory (as defined below). For purposes of Sections 7 through 9 hereof, (i) "Company" means Life Time Group Holdings, Inc. and any parent, affiliated, related and/or direct or indirect subsidiary entity thereof, (ii) "Company Business" means (1) the design, development, operation, management, advertisement, promotion, solicitation, marketing or sale of health and fitness clubs or health and fitness club memberships, (2) any services, products or programs offered by health and fitness clubs, including but not limited to personal training, nutritional supplements; health testing or health assessments; wellness services or programs (whether direct to consumer or business to business); weight loss services or programs; kids activities; salons, spas, and medical spas; restaurants or cafes; athletic events and related services (including race timing and registration), and (3) any other product or service that grows into a material business for the Company (or is under development and is projected to grow into a material business for the Company) as of the Executive's Date of Termination, and (iii) "Territory" means the United States, Canada and any other country in which the Company is then doing Company Business as of the Executive's Date of Termination. Ownership by the Executive, as a passive investment, of less than 2.5% of the outstanding shares of capital stock of any corporation listed on a national securities exchange or publicly traded in the over-the-counter market shall not constitute a breach of this Section 9(a).

(b) During the term of the Executive's employment and/or service with the Company and during the Restricted Period, regardless of the reason for such termination and regardless of whether the termination is initiated by the Company or Executive, the Executive shall not, in any manner or capacity (including without limitation as a proprietor, owner, principal, agent, partner, officer, director, stockholder, employee, member of any association, consultant or otherwise), directly or indirectly, hire, engage or solicit for the purpose of employing or otherwise engaging any person who is then an employee of the Company or who was an employee of the Company as of the Executive's date of termination or at any time in the six-month period prior to such hiring, engagement or solicitation.

(c) During the term of the Executive's employment and/or service with the Company and during the Restricted Period, regardless of the reason for such termination and regardless of whether the termination is initiated by the Company or Executive, the Executive shall not, in any manner or capacity (including without limitation as a proprietor, owner, principal, agent, partner, officer, director, stockholder, employee, member of any association, consultant or otherwise), directly or indirectly, solicit, request, advise or induce any current or potential customer, member, supplier or other business contact of the Company to cancel, curtail or otherwise change its relationship with the Company.

(d) The Executive will not malign, defame or disparage the reputation, character, image, products or services of the Company or any of its affiliates, or the reputation or character of the Company's or any of its affiliates' directors, officers, employees, shareholders or agents, provided that nothing in this Section 9(d) shall be construed to limit or restrict Executive from taking any action that Executive in good faith reasonably believes is necessary to fulfill Executive's fiduciary obligations to the Company, or from providing truthful information in connection with any legal proceeding, government investigation or other legal matter. The Company shall instruct its then-current executive officers and directors as of the Executive's date of termination not to malign, defame or disparage the reputation or image of Executive, provided that nothing in this Section 9(d) shall be construed to limit or restrict such officers and directors from taking any action that they in good faith reasonably believes is necessary to fulfill their fiduciary obligations to the Company, or from providing truthful information in connection with any legal proceeding, government investigation or other legal matter.

(e) The Executive shall inform any prospective or future employer of any and all restrictions contained in this Agreement and provide such employer with a copy of such restrictions (but no other terms of this Agreement) prior to the commencement of that employment.

10. Enforcement. If the duration of, the scope of or any business activity covered by any provision of Sections 7 through 9 hereof is found by a court of competent jurisdiction to be in excess of what is valid and enforceable under applicable law, such provision shall be construed to cover only that duration, scope or activity that is valid and enforceable, and all other provisions of Sections 7 through 9 shall remain in full force and effect. The Executive hereby acknowledges that Sections 7 through 9 hereof shall be given the construction that renders the provisions valid and enforceable to the maximum extent, not exceeding their express terms, possible under applicable law. Notwithstanding anything to the contrary, the foregoing sentences of this Section 10 shall in no event apply to the extent their application would render Sections 7 through 9 hereof (or any portion thereof) unenforceable under applicable law. The Executive acknowledges that the provisions of Sections 7 through 9 hereof are reasonable and necessary to protect the legitimate interests of the Company, and that any violation of those provisions by the Executive would cause real, immediate, substantial and irreparable harm to the Company to such an extent that monetary damages alone would be an inadequate remedy therefor. Therefore, in the event of any actual or threatened breach of any provision of Sections 7 through 9 hereof, the Company shall, in addition to any other remedies it may have, be entitled to injunctive and other equitable relief to enforce such provisions and to restrain the Executive from violating or continuing to violate such provisions, and such relief may be granted without the necessity of proving actual monetary damages or posting bond. The Executive agrees that the Restricted Period shall be tolled, and shall not run, during any period of time in which he or she is in violation of the terms of Section 9(a), 9(b) or 9(c), in order that the Company and its affiliates shall have all of the agreed-upon temporal protection recited herein. No breach of any provision of this Agreement by the Company, or any other claimed breach of contract or violation of law, or change in the nature or scope

of the Executive's employment and/or service relationship with the Company, shall operate to extinguish the Executive's obligation to comply with Sections 7 through 9 hereof. The Company (including, without limitation, its affiliates) are third party beneficiaries under this Agreement and shall have the right to enforce all of the Executive's obligations to the Company under this Agreement, including without limitation pursuant to Sections 7 through 9 hereof, and the Company shall be entitled to assign its rights under Sections 7 through 9 hereof without the Executive's consent and any such assignees shall have the right to enforce all of the Executive's obligations to comply with Sections 7 through 9 hereof. The Executive covenants and agrees that he or she has received adequate consideration for his or her obligations contained in Sections 7 through 9 hereof, and will not take the position that the covenants contained in Sections 7 through 9 hereof are void for lack of consideration. The Executive will be responsible for any and all attorneys' fees and costs the Company incurs in enforcing the Executive's obligations contained in Sections 7 through 9 hereof.

11. Representations. The Executive hereby represents and warrants to the Company that (a) the Executive is entering into this Agreement voluntarily and that the performance of the Executive's obligations hereunder will not violate any agreement between the Executive and any other person, firm, organization or other entity, and (b) the Executive is not bound by the terms of any agreement with any previous employer or other party to refrain from competing, directly or indirectly, with the business of such previous employer or other party that would be violated by the Executive's entering into this Agreement and/or providing services to the Company pursuant to the terms of this Agreement.

12. Successors. This Agreement is personal to the Executive and, without the prior written consent of the Company, shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives. This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

13. Miscellaneous.

(a) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota, without reference to principles of conflict of laws. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect.

(b) Compensation Recovery Policy. Executive acknowledges and agrees that, to the extent the Company adopts any claw-back or similar policy pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act or otherwise, and any rules and regulations promulgated thereunder, he or she shall take all action necessary or appropriate to comply with such policy (including, without limitation, entering into any further agreements, amendments or policies necessary or appropriate to implement and/or enforce such policy with respect to past, present and future compensation, as appropriate).

(c) Whistleblower Protections and Trade Secrets. Notwithstanding anything to the contrary contained herein, nothing in this Agreement prohibits Executive from reporting possible violations of federal law or regulation to any United States governmental agency or entity in accordance with the provisions of and rules promulgated under Section 21F of the Securities Exchange Act of 1934 or Section 806 of the Sarbanes-Oxley Act of 2002, or any other whistleblower protection provisions of state or federal law or regulation (including the right to receive an award for information provided to any such government agencies). Furthermore, in accordance with 18 U.S.C. § 1833, notwithstanding anything to the contrary in this Agreement: (i) Executive shall not be in breach of this Agreement, and shall not be held criminally or civilly liable under any federal or state trade secret law (A) for the disclosure of a trade secret that is made in confidence to a federal, state, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law, or (B) for the disclosure of a trade secret that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; and (ii) if Executive files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Executive may disclose the trade secret to Executive's attorney, and may use the trade secret information in the court proceeding, if Executive files any document containing the trade secret under seal, and does not disclose the trade secret, except pursuant to court order.

(d) Notices. All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive: at the Executive's most recent address on the records of the Company.

If to the Company:

Life Time Fitness, Inc.
2902 Corporate Place
Chanhassen, MN 55317
Attention: Executive Vice President & Chief Administrative Officer

with a copy to:

Latham & Watkins LLP
1271 Avenue of the Americas
New York, NY 10020
Attn: Austin Ozawa

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notice and communications shall be effective when actually received by the addressee.

(e) Sarbanes-Oxley Act of 2002. Notwithstanding anything herein to the contrary, if the Company determines, in its good faith judgment, that any transfer or deemed transfer of funds hereunder is likely to be construed as a personal loan prohibited by Section 13(k) of the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder (the "***Exchange Act***"), then such transfer or deemed transfer shall not be made to the extent necessary or appropriate so as not to violate the Exchange Act and the rules and regulations promulgated thereunder.

(f) Section 409A of the Code.

(i) To the extent applicable, this Agreement shall be interpreted in accordance with Section 409A of the Code and Department of Treasury regulations and other interpretive guidance issued thereunder (together, "***Section 409A***"). Notwithstanding any provision of this Agreement to the contrary, if the Company determines that any compensation or benefits payable under this Agreement may be subject to Section 409A, the Company shall work in good faith with the Executive to adopt such amendments to this Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Company determines are necessary or appropriate to avoid the imposition of taxes under Section 409A, including without limitation, actions intended to (i) exempt the compensation and benefits payable under this Agreement from Section 409A, and/or (ii) comply with the requirements of Section 409A; provided, however, that this Section 13(f) shall not create an obligation on the part of the Company to adopt any such amendment, policy or procedure or take any such other action, nor shall the Company have any liability for failing to do so.

(ii) Any right to a series of installment payments pursuant to this Agreement is to be treated as a right to a series of separate payments. To the extent permitted under Section 409A, any separate payment or benefit under this Agreement or otherwise shall not be deemed "nonqualified deferred compensation" subject to Section 409A to the extent provided in the exceptions in Treasury Regulation Section 1.409A-1(b)(4), Section 1.409A-1(b)(9) or any other applicable exception or provision of Section 409A. Any payments subject to Section 409A that are subject to execution of a waiver and release which may be executed and/or revoked in a calendar year following the calendar year in which the payment event (such as termination of employment) occurs shall commence payment only in the calendar year in which the consideration period or, if applicable, release revocation period ends, as necessary to comply with Section 409A. All payments of nonqualified deferred compensation subject to Section 409A to be made upon a termination of employment under this Agreement may only be made upon Employee's Separation from Service (as defined below) from the Company.

(iii) Notwithstanding anything to the contrary in this Agreement, no compensation or benefits, including without limitation any severance payments or benefits payable under Section 4 hereof, shall be paid to the Executive during the six (6)-month period following the Executive's "separation from service" from the Company (within the meaning of Section 409A, a "***Separation from Service***") if the Company determines that at the time of Executive's Separation from Service that Executive is a "specified employee" for purposes of Section 409A and paying such amounts at the time or times indicated in this Agreement would be a prohibited distribution under Section 409A(a)(2)(B)(i) of the Code. If the payment of any such amounts is delayed as a result of the previous sentence, then on the first day of the seventh month following the date of Separation from Service (or such earlier date upon which such amount can be paid under Section 409A without resulting in a prohibited distribution, including as a result of the Executive's death), the Company shall pay the Executive a lump-sum amount equal to the cumulative amount that would have otherwise been payable to the Executive during such period.

(iv) To the extent that any payments or reimbursements provided to the Executive under this Agreement are deemed to constitute compensation to the Executive to which Treasury Regulation Section 1.409A-3(i)(1)(iv) would apply, such amounts shall be paid or reimbursed reasonably promptly, but not later than December 31 of the year following the year in which the expense was incurred. The amount of any such payments eligible for reimbursement in one year shall not affect the payments or expenses that are eligible for payment or reimbursement in any other taxable year, and the Executive's right to such payments or reimbursement of any such expenses shall not be subject to liquidation or exchange for any other benefit.

(g) Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(h) Withholding. The Company may withhold from any amounts payable under this Agreement such federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(i) No Waiver. The Executive's or the Company's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right the Executive or the Company may have hereunder shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

(j) Entire Agreement. As of the Effective Date, this Agreement constitutes the final, complete and exclusive agreement between the Executive and the Company with respect to the subject matter hereof and replaces and supersedes any and all other agreements, offers or promises, whether oral or written, by any member of the Company and its subsidiaries or affiliates, or representative thereof; provided that nothing herein replaces or supersedes any non -disclosure, non-competition, non-solicitation or other similar agreement between the Company (or any subsidiaries thereof) and the Executive in effect on the Effective Date, each of which shall remain in full force and effect.

(k) Amendment. No amendment or other modification of this Agreement shall be effective unless made in writing and signed by the parties hereto.

(l) Counterparts. This Agreement and any agreement referenced herein may be executed simultaneously in two or more counterparts, each of which shall be deemed an original but which together shall constitute one and the same instrument. A facsimile, PDF (or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g. www.docusign.com) or any other type of copy of an executed version of this Agreement signed by a party is binding upon the signing party to the same extent as the original of the signed agreement.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Executive has hereunto set the Executive's hand and, pursuant to the authorization from the Board, the Company has caused these presents to be executed in its name on its behalf, all as of the day and year first above written.

LIFE TIME GROUP HOLDINGS, INC.

By: /s/ Bahram Akradi
Name: Bahram Akradi
Title: Chief Executive Officer

EXECUTIVE

/s/ RJ Singh
RJ Singh

EXHIBIT A

Form of Release Agreement

This General Release of Claims (this "***Release***") is made by RJ Singh ("***Executive***") in favor of Life Time Group Holdings, Inc., a Delaware corporation (the "***Company***") and the "***Releasees***" (as defined below), as of the date of Executive's execution of this Release.

1. Release by Executive. In exchange for the benefits set forth in the certain Employment Agreement entered into by and between the Company and Executive, dated as of September 13, 2021, (the "***Agreement***") to which this Release is an exhibit, which are conditioned on Executive signing this Release, and to which Executive is not otherwise entitled, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Executive, his heirs, executors, administrators, beneficiaries, representatives, assigns and successors, and all others connected with or claiming through Executive, fully and forever agree to release and discharge the Company and the Company's parent and subsidiary corporations, and all of their respective past, present and future employee benefit plans, joint venturers, predecessors, successors, assigns, employees, officers, directors, shareholders, administrators, trustees, agents, representatives, and consultants, and all those connected with any of them, in their official and personal capacities (hereinafter the "***Releasees***") from any and all manner of claims, liabilities and actions, causes of action, in law or in equity, demands, suits, rights, or damages of any kind or nature, whether known or unknown, fixed or contingent (hereinafter called "***Claims***"), that Executive now has or may hereafter have against the Releasees arising out of, connected with or relating to Executive's employment by the Company and/or other relationship with the Company, or the termination of Executive's employment and/or other relationship, by reason of any and all acts, omissions, events or facts occurring or existing prior to Executive's execution of this Release. The Claims released hereunder, including without limitation, any claim of wrongful discharge, breach of contract, breach of the covenant of good faith and fair dealing, violation of public policy, defamation, discrimination, personal injury, physical injury, emotional distress, claims under the Age Discrimination in Employment Act, as amended, 29 U.S.C. § 621 et seq. ("***ADEA***"); the Older Workers' Protection Benefit Act of 1990; Title VII of the Civil Rights Act of 1964, as amended, by the Civil Rights Act of 1991, 42 U.S.C. § 2000 et seq.; Equal Pay Act, as amended, 29 U.S.C. § 206(d); the Civil Rights Act of 1866, 42 U.S.C. § 1981; the Family and Medical Leave Act of 1993, 29 U.S.C. § 2601 et seq.; the Americans with Disabilities Act of 1990, 42 U.S.C. § 12101 et seq.; the False Claims Act, 31 U.S.C. § 3729 et seq.; the Employee Retirement Income Security Act, as amended, 29 U.S.C. § 1001 et seq.; the Worker Adjustment and Retraining Notification Act ("***WARN***"), as amended, 29 U.S.C. § 2101 et seq.; the Fair Labor Standards Act, 29 U.S.C. § 215 et seq.; and any federal, state or local laws of similar effect.

2. Claims Not Released. This Release shall not apply to: the Company's obligations to provide the separation benefits under Section 4 of the Agreement; Executive's right to bring any action to enforce the terms of same or of this Release; Executive's right to indemnification under any applicable indemnification policy of the Company, including without limitation, any general liability or "directors and officers" insurance policy, any shareholders or other agreement with the Company (including pursuant to any individual indemnification agreement), the Company's governing documents or applicable law; Executive's right to assert claims for workers' compensation or unemployment benefits; Executive's right to bring to the attention of the Equal Employment Opportunity Commission ("***EEOC***") or any analogous state agency claims of discrimination, harassment or retaliation (provided, however, that Executive hereby agrees to waive Executive's right to recover monetary damages or other individual relief in any such charge, investigation or proceeding or any related complaint or lawsuit filed by Executive or anyone else on Executive's behalf), to the extent required by law; any right to communicate directly with, cooperate with, or provide information to, any federal, state or local government regulator; any right to file an unfair labor

practice charge under the National Labor Relations Act ("***NLRA***"); Executive's vested rights under any retirement or welfare benefit plan of the Company; any rights Executive may have to benefits under the Company's standard benefit programs; Executive's rights in his or her capacity as an equity holder of the Company; Executive's right to receive payment for accrued salary and any earned but unpaid Annual Bonus with respect to the year prior to the year in which Executive's date of termination of employment occurs for services rendered through Executive's last day of employment, and reimbursement for travel and business expenses properly incurred prior to the separation date, but unreimbursed; or any other rights that may not be waived by an employee under applicable law.

3. Older Worker's Benefit Protection Act. In accordance with the Older Worker's Benefit Protection Act, Executive is hereby advised as follows:

(a) Executive has read this Release and understands its terms and effect, including the fact that Executive is agreeing to release and forever discharge the Company and each of the Releasees from any Claims released in this Release.

(b) Executive understands that, by entering into this Release, Executive does not waive any Claims that may arise after the date of Executive's execution of this Release, including without limitation any rights or claims that Executive may have to secure enforcement of the terms and conditions of this Release.

(c) Executive has signed this Release voluntarily and knowingly in exchange for the consideration described in this Release, which Executive acknowledges is adequate and satisfactory to Executive and in addition to any other benefits to which Executive is otherwise entitled.

(d) The Company advises Executive to consult with an attorney prior to executing this Release.

(e) Executive has twenty-one (21) days [forty-five (45) days)][1] to review and decide whether or not to sign this Release. If Executive signs this Release prior to the expiration of such period, Executive acknowledges that Executive has done so voluntarily, had sufficient time to consider the Release, to consult with counsel and that Executive does not desire additional time and hereby waives the remainder of the twenty-one (21) day period. In the event of any changes to this Release, whether or not material, Executive waives the restarting of the twenty-one (21) day period.

(f) Executive has seven (7) days after signing this Release to revoke this Release and this Release will become effective upon the expiration of that revocation period. If Executive revokes this Release during such seven (7)-day period, this Release will be null and void and of no force or effect on either the Company or Executive and Executive will not be entitled to any of the payments or benefits which are expressly conditioned upon the execution and non-revocation of this Release.

If Executive wishes to revoke this Release, Executive shall deliver written notice stating his or her intent to revoke this Release to [NAME, OFFICER TITLE, DEPARTMENT, ADDRESS], on or before 5:00 p.m. on the seventh (7th) day after the date on which Executive signs this Release.

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1 Note to Draft: Include instead of twenty-one days in this paragraph (e) if termination is part of a group termination/layoff.

4. Representations.

(a) Executive represents and warrants that there has been no assignment or other transfer of any interest in any Claim which he or she may have against Releasees, or any of them, based on actions occurring prior to the date of this Agreement.

(b) Executive represents that, as of the date of execution of this Release, he has not filed any lawsuits, charges, complaints, petitions, administrative claims or other accusatory pleadings in any court or with any governmental agency against any of the Releasees.

5. Exceptions. Notwithstanding anything in this Release to the contrary, nothing contained in this Release shall prohibit Executive (or Executive's attorney) from (i) filing a charge with, reporting possible violations of federal law or regulation to, participating in any investigation by, or cooperating with the U.S. Securities and Exchange Commission ("***SEC***"), the Financial Industry Regulatory Authority, the EEOC, the NLRB, the Occupational Safety and Health Administration, the U.S. Commodity Futures Trading Commission, the U.S. Department of Justice or any other securities regulatory agency, self-regulatory authority or federal, state or local regulatory authority (collectively, "***Government Agencies***"), or making other disclosures that are protected under the whistleblower provisions of applicable law or regulation, (ii) communicating directly with, cooperating with, or providing information (including trade secrets) in confidence to any Government Agencies for the purpose of reporting or investigating a suspected violation of law, or from providing such information to Executive's attorney or in a sealed complaint or other document filed in a lawsuit or other governmental proceeding, and/or (iii) receiving an award for information provided to any Government Agency. Pursuant to 18 USC Section 1833(b), Executive will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made: (x) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (y) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Further, nothing in this Release is intended to or shall preclude Executive from providing truthful testimony in response to a valid subpoena, court order, regulatory request or other judicial, administrative or legal process or otherwise as required by law.

6. Miscellaneous.

(a) *Severability*. If any sentence, phrase, section, subsection or portion of this Release is found to be illegal or unenforceable, such action shall not affect the validity or enforceability of the remaining sentences, phrases, sections, subsections or portions of this Release, which shall remain fully valid and enforceable.

(b) *Headings*. The headings in this Release are provided solely for convenience, and are not intended to be part of, nor to affect or alter the interpretation or meaning of, this Release.

(c) *Construction of Agreement.* Executive has been represented by, or had the opportunity to be represented by, counsel in connection with the negotiation and execution of this Release. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in the construction or interpretation of this Release.

(d) *Entire Agreement/Integration.* This Release, together with the Agreement, constitutes the entire agreement between Executive and the Company concerning the subject matter hereof. No covenants, agreements, representations, or warranties of any kind, other than those set forth herein, have been made to any party hereto with respect to this Release. All prior discussions and negotiations have been and are merged and integrated into, and are superseded by, this Release. No amendments to this Release will be valid unless written and signed by Executive and an authorized representative of the Company.

Sign only on or within [twenty-one (21)][forty-five (45) days after [DATE]

[EXECUTIVE]

Date: _____

_____

[NAME]

EXHIBIT B

LIMITED EXCLUSION NOTIFICATION

THIS IS TO NOTIFY YOU that, notwithstanding anything to the contrary in that certain Employment Agreement entered into by and between Life Time Group Holdings, Inc. and you, dated as of September 13, 2021, (the "***Agreement***") to which this is an exhibit, the Agreement does not require assignment of any invention to the extent such invention qualifies for protection under Section 181.78 of the 2015 Minnesota Statutes, as may be amended from time to time. The current text of the aforementioned statute is attached hereto as Annex 1.

I, _____, acknowledge receipt of a copy of this notification (and the annex thereto).

_____

_____

Date

Annex 1

Section 181.78 of the 2015 Minnesota Statutes

As of the date of this Agreement, Section 181.78 of the 2015 Minnesota Statutes is as follows:

181.78 AGREEMENTS; TERMS RELATING TO INVENTIONS.

Subdivision 1. **Inventions not related to employment**. Any provision in an employment agreement which provides that an employee shall assign or offer to assign any of the employee's rights in an invention to the employer shall not apply to an invention for which no equipment, supplies, facility or trade secret information of the employer was used and which was developed entirely on the employee's own time, and (1) which does not relate (a) directly to the business of the employer or (b) to the employer's actual or demonstrably anticipated research or development, or (2) which does not result from any work performed by the employee for the employer. Any provision which purports to apply to such an invention is to that extent against the public policy of this state and is to that extent void and unenforceable.

Subd. 2. **Effect of subdivision 1**. No employer shall require a provision made void and unenforceable by subdivision 1 as a condition of employment or continuing employment.

Subd. 3. **Notice to employee**. If an employment agreement entered into after August 1, 1977 contains a provision requiring the employee to assign or offer to assign any of the employee's rights in any invention to an employer, the employer must also, at the time the agreement is made, provide a written notification to the employee that the agreement does not apply to an invention for which no equipment, supplies, facility or trade secret information of the employer was used and which was developed entirely on the employee's own time, and (1) which does not relate (a) directly to the business of the employer or (b) to the employer's actual or demonstrably anticipated research or development, or (2) which does not result from any work performed by the employee for the employer.

Exhibit 10.32

EMPLOYEE NON-COMPETITION AGREEMENT

This Employee Non-Competition Agreement ("Agreement") is entered into by and between Life Time, Inc., a Minnesota corporation, with its principal place of business located at 2901 Corporate Place in Chanhassen, Minnesota ("Life Time" or the "Company") and Bahram Akradi (the "Employee") (the Company and the Employee are collectively referred to as the "Parties"), as of August 18, 2021 (the "Effective Date").

In consideration of the Employee's employment by the Company as Chief Executive Officer and other consideration provided by to the Employee by Company, including pursuant to the terms of the offer letter between the Employee and the Company, dated as of August 18, 2021 (the "Offer Letter"), which consideration the Employee acknowledges to be good and valuable consideration for the Employee's obligations hereunder, the Company and the Employee hereby agree as follows:

1. Restrictive Covenants and Confidentiality. The Parties acknowledge and agree that (a) the provisions and covenants contained in Sections 1 through 3 hereof (i) are material to this Agreement, (ii) are provided for, among other things, the protection of the Company's trade secrets, confidential and commercially-sensitive information, client and customer relationships, goodwill and reputation, the knowledge of which provides the Company with a competitive advantage which will dissipate slowly (which is an honest and just purpose), (iii) are reasonable in geographic and temporal scope and (iv) do not impose a greater restriction or restraint than is necessary to protect the Company's trade secrets, confidential and commercially-sensitive information, client and customer relationships and contacts, goodwill, reputation and other legitimate business interests, (b) the Employee (i) is a founding shareholder and officer of Life Time, (ii) has been and/or will be provided with confidential and commercially-sensitive information regarding the Company and its business during his or her employment and/or service with the Company (which exceed the scope of information an average employee of the Company would learn while carrying on his or her day-to-day duties for the Company), (iii) provides special, unique and extraordinary services to the Company, (c) the provisions of Sections 1 through 3 hereof do not adversely affect the Employee's ability to earn a living in any capacity, stifle the Employee's ability to use his or her inherent skills and experience, or otherwise impose undue hardship or oppression on the Employee, and (d) the Employee's employment under the Offer Letter, and the compensation and benefits described in the Offer Letter, among other things, constitute sufficient consideration for all of the Employee's covenants contained in Sections 1 through 3 hereof.

(a) Except as permitted by Life Time's Board of Directors (the "Board"), during the term of the Employee's employment and/or service with the Company and at all times thereafter, the Employee shall not divulge, furnish or make accessible to anyone or use in any way other than in the ordinary course of the business of the Company, any confidential, proprietary or secret knowledge or information of the Company or any of its affiliates, whether developed by the Employee or others, including but not limited to (i) trade secrets, (ii) confidential and proprietary plans, developments, research, processes, designs, methods or material (whether or not patented or patentable), (iii) customer and supplier lists, (iv) strategic or other business, marketing or sales plans, (v) financial data and plans and (vi) Proprietary Information. "Proprietary Information" is defined as (i) the name, address and/or contact information of any customer, supplier or affiliate

of the Company or any information concerning the transactions or relations of any customer, supplier or affiliate of the Company or any of its shareholders; (ii) any information concerning any product, service, technology or procedure offered or used by the Company or any of its affiliates, or under development by or being considered for use by the Company or any of its affiliates; (iii) any information relating to marketing or pricing plans or methods, capital structure, or any business or strategic plans of the Company or any of its affiliates; (iv) any inventions, innovations, trade secrets or other items covered by Section 2 below; and (v) any other information which the Company or any of its affiliates has determined and communicated to the Employee in writing to be proprietary information for purposes hereof; *provided*, *however*, that "Proprietary Information" shall not include any information that is or becomes generally known to the public other than through actions of the Employee in violation of the restrictive covenants set forth in Sections 1 through 3 hereof. The Employee acknowledges that the above-described knowledge and information constitute unique and valuable assets of the Company and represent a substantial investment of time and expense by the Company, and that any disclosure or other use of such knowledge or information other than for the sole benefit of the Company would be wrongful and would cause irreparable harm to the Company. During the term of the Employee's employment and/or service with the Company, the Employee shall refrain from any acts or omissions that would reduce the value of such knowledge or information to the Company. The foregoing obligations of confidentiality shall not apply to any knowledge or information that (x) is now or subsequently becomes generally publicly known for reasons other than the Employee's violation of this Agreement, (y) is independently made available to the Employee in good faith by a third party who has not violated a confidential relationship with the Company, or (z) is required to be disclosed by legal process, other than as a direct or indirect result of the breach of this Agreement by the Employee.

(b) If, during the Employee's employment and/or service with the Company, the Employee is engaged in or associated with the planning or implementing of any project, program or venture involving the Company, all rights in such project, program or venture shall belong to the Company, as applicable. Except as approved in writing by the Board, the Employee shall not be entitled to any interest in any such project, program or venture or to any commission, finder's fee or other compensation in connection therewith. The Employee shall have no interest, direct or indirect, in any customer or supplier that conducts business with the Company, provided that a passive investment of less than 2.5% of the outstanding shares of capital stock of any customer or supplier listed on a national securities exchange or publicly traded in the over-the-counter market shall not constitute a breach of this sentence.

2. Inventions and Proprietary Rights.

(a) All right, title and interest in all discoveries, inventions, improvements, innovations and other material that the Employee shall conceive or originate individually or jointly or commonly with others during the term of the Employee's employment and/or service with the Company (i) that are directly related to the business of the Company or to the Company's actual or demonstrably anticipated research or development, or that results from any work performed by the Employee for the Company, (ii) for which any equipment, supplies, facility or trade secret information of the Company was used and/or (iii) which was not developed entirely on the Employee's own time, whether or not patentable, copyrightable, or registrable as a trademark

("Protectable Material"), shall be the property of the Company and are hereby assigned by the Employee to the Company (and the Employee agrees to assign all Protectable Material to the Company in the future), along with ownership of any and all patents, copyrights, trademarks and other intellectual property rights in the Protectable Material. Upon request and without further compensation therefor, but at no expense to the Employee, the Employee shall execute any and all papers and perform all other acts necessary to assist the Company to obtain and register patents, copyrights, trademarks and other intellectual property rights on the Protectable Materials in any and all countries. Where applicable, works of authorship created by the Employee for the Company in performing the Employee's duties and responsibilities hereunder shall be considered "works made for hire," as defined in the U.S. Copyright Act.

(b) All trade secret information conceived or originated by the Employee that arises during the term of the Employee's employment and/or service with the Company and out of the performance of the Employee's duties and responsibilities to the Company or any related material or information shall be the property of the Company, and all rights therein are hereby assigned by the Employee to the Company.

(c) Notwithstanding the foregoing, the Employee understands that this Agreement does not require assignment of any invention to the extent such invention qualifies for protection under Section 181.78 of the 2015 Minnesota Statutes, as may be amended from time to time, and the current text of which is attached hereto as Annex 1 to Exhibit A. The Employee hereby acknowledges that the Company has provided him with the notification set forth on Exhibit A (and the annex attached thereto) on the date hereof and the Employee shall sign such notification as soon as reasonably practicable after the date hereof.

(d) Notwithstanding the foregoing, the Employee understands that pursuant to the Defend Trade Secrets Act of 2016, the Employee shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

3. Non-Compete; Non-Solicitation; Non-Disparagement.

(a) During the term of the Employee's employment and/or service with the Company and until the later of (i) the36-month anniversary of the Company's initial public offering or (ii) the 24-month anniversary of the date of termination of the Employee's employment with the Company (the "Restricted Period"), regardless of the reason for such termination and regardless of whether the termination is initiated by the Company or Employee, the Employee shall not, directly or indirectly, engage in any manner or capacity (including without limitation as a proprietor, owner, principal, agent, partner, officer, director, employee, member of any association, consultant or otherwise) in any Company Business (as defined below) in the Territory (as defined below). For purposes of Sections 1 through 3 hereof, (i) "Company" means Life Time Group Holdings, Inc. and any parent, affiliated, related and/or direct or indirect subsidiary entity thereof, (ii) "Company Business" means (1) the design, development, operation, management,

advertisement, promotion, solicitation, marketing or sale of health and fitness clubs or health and fitness club memberships, (2) any services, products or programs offered by health and fitness clubs, including but not limited to personal training, nutritional supplements; health testing or health assessments; wellness services or programs (whether direct to consumer or business to business); weight loss services or programs; kids activities; salons, spas, and medical spas; restaurants or cafes; athletic events and related services (including race timing and registration), and (3) any other product or service that grows into a material business for the Company (or is under development and is projected to grow into a material business for the Company) as of the Employee's termination of services date, and (iii) "Territory" means the United States, Canada and any other country in which the Company is then doing Company Business as of the Employee's Termination of Services Date. Ownership by the Employee, as a passive investment, of less than 2.5% of the outstanding shares of capital stock of any corporation listed on a national securities exchange or publicly traded in the over-the-counter market shall not constitute a breach of this Section 3(a).

(b) During the term of the Employee's employment and/or service with the Company and during the Restricted Period, regardless of the reason for such termination and regardless of whether the termination is initiated by the Company or Employee, the Employee shall not, in any manner or capacity (including without limitation as a proprietor, owner, principal, agent, partner, officer, director, stockholder, employee, member of any association, consultant or otherwise), directly or indirectly, hire, engage or solicit for the purpose of employing or otherwise engaging any person who is then an employee of the Company or who was an employee of the Company as of the Employee's date of termination or at any time in the six-month period prior to such hiring, engagement or solicitation.

(c) During the term of the Employee's employment and/or service with the Company and during the Restricted Period, regardless of the reason for such termination and regardless of whether the termination is initiated by the Company or Employee, the Employee shall not, in any manner or capacity (including without limitation as a proprietor, owner, principal, agent, partner, officer, director, stockholder, employee, member of any association, consultant or otherwise), directly or indirectly, solicit, request, advise or induce any current or potential customer, member, supplier or other business contact of the Company to cancel, curtail or otherwise change its relationship with the Company.

(d) The Employee will not malign, defame or disparage the reputation, character, image, products or services of the Company or any of its affiliates, or the reputation or character of the Company's or any of its affiliates' directors, officers, employees, shareholders or agents, provided that nothing in this Section 3(d) shall be construed to limit or restrict Employee from taking any action that Employee in good faith reasonably believes is necessary to fulfill Employee's fiduciary obligations to the Company, or from providing truthful information in connection with any legal proceeding, government investigation or other legal matter. Life Time shall instruct its then-current executive officers and directors as of the Employee's date of termination not to malign, defame or disparage the reputation or image of Employee, provided that nothing in this Section 3(d) shall be construed to limit or restrict such officers and directors from taking any action that they in good faith reasonably believes is necessary to fulfill their fiduciary obligations to the Company, or from providing truthful information in connection with any legal proceeding, government investigation or other legal matter.

(e) The Employee shall inform any prospective or future employer of any and all restrictions contained in this Agreement and provide such employer with a copy of such restrictions (but no other terms of this Agreement) prior to the commencement of that employment.

4. Enforcement.

(a) If the duration of, the scope of or any business activity covered by any provision of Sections 1 through 3 hereof is found by a court of competent jurisdiction to be in excess of what is valid and enforceable under applicable law, such provision shall be construed to cover only that duration, scope or activity that is valid and enforceable, and all other provisions of Sections 1 through 3 shall remain in full force and effect. The Employee hereby acknowledges that Sections 1 through 3 hereof shall be given the construction that renders the provisions valid and enforceable to the maximum extent, not exceeding their express terms, possible under applicable law. The Parties agree that any such court or arbitral authority is expressly authorized to modify any unenforceable provision of this Agreement instead of severing the unenforceable provision from this Agreement in its entirety, whether by rewriting the offending provision, deleting any or all of the offending provision, adding additional language to this Agreement, or by making any other modifications it deems warranted to carry out the intent and agreement of the Parties as embodied in this Agreement to the maximum extent permitted by law. The Parties expressly agree that this Agreement as so modified by the court shall be binding upon and enforceable against each of them. Should one or more of the provisions of this Agreement be held to be invalid, illegal, or unenforceable in any respect, that invalidity, illegality, or unenforceability shall not affect any other provisions of this Agreement, and if such provision or provisions are not modified as provided above, this Agreement shall be construed as if such invalid, illegal, or unenforceable provisions had not been set forth in this Agreement. Notwithstanding anything to the contrary, the foregoing sentences of this Section 4 shall in no event apply to the extent their application would render Sections 1 through 3 hereof (or any portion thereof) unenforceable under applicable law.

(b) The Employee acknowledges that the provisions of Sections 1 through 3 hereof are reasonable and necessary to protect the legitimate interests of the Company, and that any violation of those provisions by the Employee would cause real, immediate, substantial and irreparable harm to the Company to such an extent that monetary damages alone would be an inadequate remedy therefor. Therefore, in the event of any actual or threatened breach of any provision of Sections 1 through 3 hereof, the Company shall, in addition to any other remedies it may have, be entitled to injunctive and other equitable relief to enforce such provisions and to restrain the Employee from violating or continuing to violate such provisions, and such relief may be granted without the necessity of proving actual monetary damages or posting bond. The Employee agrees that the Restricted Period shall be tolled, and shall not run, during any period of time in which he or she is in violation of the terms of Section 3(a), 3(b) or 3(c), in order that the Company and its affiliates shall have all of the agreed-upon temporal protection recited herein. No breach of any provision

of this Agreement by the Company, or any other claimed breach of contract or violation of law, or change in the nature or scope of the Employee's employment and/or service relationship with the Company, shall operate to extinguish the Employee's obligation to comply with Sections 1 through 3 hereof. The Company (including, without limitation, its affiliates) are third party beneficiaries under this Agreement and shall have the right to enforce all of the Employee's obligations to the Company under this Agreement, including without limitation pursuant to Sections 1 through 3 hereof, and the Company shall be entitled to assign its rights under Sections 1 through 3 hereof without the Employee's consent and any such assignees shall have the right to enforce all of the Employee's obligations to comply with Sections 1 through 3 hereof. The Employee covenants and agrees that he or she has received adequate consideration for his or her obligations contained in Sections 1 through 3 hereof, and will not take the position that the covenants contained in Sections 1 through 3 hereof are void for lack of consideration. The Employee will be responsible for any and all attorneys' fees and costs the Company incurs in enforcing the Employee's obligations contained in Sections 1 through 3 hereof.

Nothing in this Agreement shall be construed to in any way terminate, supersede, undermine, or otherwise modify the"at-will" status of the employment relationship between the Company and the Employee, pursuant to which either the Company or the Employee may terminate the employment relationship at any time, with or without cause, and with or without notice.

5. Successors and Assigns. To the extent permitted by state law, the Company may assign this Agreement to any subsidiary or corporate affiliate, or to any successor or assign (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company. This Agreement shall inure to the benefit of the Company and permitted successors and assigns. This Agreement is personal to the Employee and, without the prior written consent of the Company, shall not be assignable by the Employee.

6. Representations. The Employee hereby represents and warrants to the Company that (a) the Employee has been represented by legal counsel in connection with the negotiation and execution of this Agreement, (b) the Employee is entering into this Agreement voluntarily and that the performance of the Employee's obligations hereunder will not violate any agreement between the Employee and any other person, firm, organization or other entity, and (c) the Employee is not bound by the terms of any agreement with any previous employer or other party to refrain from competing, directly or indirectly, with the business of such previous employer or other party that would be violated by the Employee's entering into this Agreement and/or providing services to the Company pursuant to the terms of this Agreement.

7. Choice of Law and Forum Selection. This Agreement, and all matters arising out of or relating to this Agreement, whether sounding in contract, tort, or statute, are governed by, and construed in accordance with, the laws of the State of Minnesota, without giving effect to the conflict of laws provisions thereof to the extent such principles or rules would require or permit the laws of any jurisdiction other than the State of Minnesota to apply. Any action or proceeding by either Party to enforce this Agreement shall be brought only in any state or federal court located in the state of Minnesota, county of Carver. The Parties hereby irrevocably submit to the exclusive jurisdiction of such courts and waive the defense of inconvenient forum to the maintenance of any such action or proceeding in such venue.

8. Entire Agreement. Unless specifically provided herein, this Agreement contains all the understandings and representations between the Employee and the Company pertaining to the subject matter hereof and supersedes all prior and contemporaneous understandings, agreements, representations, and warranties, both written and oral, with respect to such subject matter; provided that nothing herein supersedes or modifies the terms and conditions of the Offer Letter or any existing agreements in respect of equity awards previously granted to you.

9. Modification and Waiver. No provision of this Agreement may be amended or modified unless the amendment or modifications is agreed to in writing and signed by the Employee and an authorized officer of the Company, following approval by the Board or the Compensation Committee. No waiver by either Party of any breach of any condition or provision of this Agreement to be performed by the other Party shall be deemed a waiver of any other provision or condition at the same or any prior or subsequent time, nor shall the failure of or delay by either Party in exercising any right, power, or privilege under this Agreement operate as a waiver to preclude any other or further exercise of any right, power, or privilege.

10. Severability. Without limiting Section 4, should any provision of this Agreement be held by a court or arbitral authority of competent jurisdiction to be enforceable only if modified, or if any portion of this Agreement shall be held as unenforceable and thus stricken, that holding shall not affect the validity of the remainder of this Agreement, the balance of which shall continue to be binding on the Parties with any modification to become a part of and treated as though originally set forth in this Agreement.

11. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. A facsimile, PDF (or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g. www.docusign.com) or any other type of copy of an executed version of this Agreement signed by a party is binding upon the signing party to the same extent as the original of the signed agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date above.

Life Time, Inc.

By:
Name: Thomas Bergmann
Title: President and Chief Financial Officer

EMPLOYEE

Signature:
Print Name: BAHRAM AKRADI

Exhibit 10.33

INDEMNIFICATION AND ADVANCEMENT AGREEMENT

This Indemnification and Advancement Agreement (this "Agreement") is made as of , 20 by and between Life Time Group Holdings, Inc., a Delaware corporation (the "Company"), and , [a member of the Board of Directors/an officer/an employee/an agent/a fiduciary] of the Company ("Indemnitee"). This Agreement supersedes and replaces any and all previous Agreements between the Company and Indemnitee covering indemnification and advancement.

RECITALS

WHEREAS, the Board of Directors of the Company (the "Board") believes that highly competent persons have become more reluctant to serve publicly-held corporations as directors, officers, or in other capacities unless they are provided with adequate protection through insurance or adequate indemnification and advancement of expenses against inordinate risks of claims and actions against them arising out of their service to and activities on behalf of the corporation;

WHEREAS, the Board has determined that, in order to attract and retain qualified individuals, the Company will attempt to maintain on an ongoing basis, at its sole expense, liability insurance to protect persons serving the Company and its subsidiaries from certain liabilities. Although the furnishing of such insurance has been a customary and widespread practice among United States-based corporations and other business enterprises, the Company believes that, given current market conditions and trends, such insurance may be available to it in the future only at higher premiums and with more exclusions. At the same time, directors, officers, and other persons in service to corporations or business enterprises are being increasingly subjected to expensive and time-consuming litigation relating to, among other things, matters that traditionally would have been brought only against the Company or business enterprise itself. The Amended and Restated Bylaws (the "Bylaws") and the Amended and Restated Certificate of Incorporation (the "Certificate of Incorporation") of the Company require indemnification of the officers and directors of the Company. Indemnitee may also be entitled to indemnification pursuant to the General Corporation Law of the State of Delaware (the "DGCL"). The Bylaws, the Certificate of Incorporation, and the DGCL expressly provide that the indemnification provisions set forth therein are not exclusive, and thereby contemplate that contracts may be entered into between the Company and members of the board of directors, officers and other persons with respect to indemnification and advancement of expenses;

WHEREAS, the uncertainties relating to such insurance, to indemnification, and to advancement of expenses may increase the difficulty of attracting and retaining such persons;

WHEREAS, the Board has determined that the increased difficulty in attracting and retaining such persons is detrimental to the best interests of the Company and its stockholders and that the Company should act to assure such persons that there will be increased certainty of such protection in the future;

WHEREAS, it is reasonable, prudent and necessary for the Company contractually to obligate itself to indemnify, and to advance expenses on behalf of, such persons to the fullest extent permitted by applicable law so that they will serve or continue to serve the Company free from undue concern that they will not be so indemnified;

WHEREAS, this Agreement is a supplement to and in furtherance of the Bylaws, the Certificate of Incorporation and any resolutions adopted pursuant thereto, and is not a substitute therefor, nor diminishes or abrogates any rights of Indemnitee thereunder; and

WHEREAS, Indemnitee does not regard the protection available under the Bylaws, Certificate of Incorporation, DGCL and insurance as adequate in the present circumstances, and may not be willing to serve or continue to serve as [a/an] [director/officer/employee/agent/fiduciary] of the Company without adequate additional protection, and the Company desires Indemnitee to serve or continue to serve in such capacity. Indemnitee is willing to serve, continue to serve and to take on additional service for or on behalf of the Company on the condition that Indemnitee be so indemnified and be advanced expenses.

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

Section 1. Services to the Company. Indemnitee agrees to serve as [a/an] [director/officer/employee/agent/fiduciary] of the Company. Indemnitee may at any time and for any reason resign from such position (subject to any other contractual obligation or any obligation imposed by operation of law). This Agreement does not create any obligation on the Company to continue Indemnitee in such position and is not an employment contract between the Company (or any of its subsidiaries or any Enterprise) and Indemnitee.

Section 2. Definitions. As used in this Agreement:

(a) "Affiliate" shall have the meaning set forth in Rule 405 under the Securities Act of 1933, as amended (as in effect on the date hereof).

(b) "Agent" means any person who is authorized by the Company or an Enterprise to act for or represent the interests of the Company or an Enterprise, respectively.

(c) A "Change in Control" occurs upon the earliest to occur after the date of this Agreement of any of the following events:

i. Acquisition of Stock by Third Party. Any Person (as defined below), other than the Principal Stockholders and their Related Parties, is or becomes the Beneficial Owner (as defined below), directly or indirectly, of securities of the Company representing fifteen percent (15%) or more of the combined voting power of the Company's then outstanding securities unless the change in relative beneficial ownership of the Company's securities by any Person results solely from a reduction in the aggregate number of outstanding shares of securities entitled to vote generally in the election of directors;

ii. Change in Board of Directors. During any period of two (2) consecutive years (not including any period prior to the execution of this Agreement), individuals who at the beginning of such period constitute the Board, and any new director (other than a director designated by a person who has entered into an agreement with the Company to effect a

transaction described in Sections 2(b)(i), 2(b)(iii) or 2(b)(iv)) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the members of the Board;

iii. Corporate Transactions. The effective date of a merger or consolidation of the Company with any other entity, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing 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 surviving entity outstanding immediately after such merger or consolidation and with the power to elect at least a majority of the board of directors or other governing body of such surviving entity;

iv. Liquidation. The approval by the stockholders of the Company of a complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets; and

v. Other Events. There occurs any other event of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A (or a response to any similar item on any similar schedule or form) promulgated under the Exchange Act (as defined below), whether or not the Company is then subject to such reporting requirement.

vi. For purposes of this Section 2(b), the following terms have the following meanings:

1 "Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time.

2 "Person" has the meaning as set forth in Sections 13(d) and 14(d) of the Exchange Act; provided, however, that Person excludes (i) the Company, (ii) any trustee or other fiduciary holding securities under an employee benefit plan of the Company, and (iii) any corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

3 "Beneficial Owner" has the meaning given to such term in Rule 13d-3 under the Exchange Act; provided, however, that Beneficial Owner excludes any Person otherwise becoming a Beneficial Owner by reason of the stockholders of the Company approving a merger of the Company with another entity.

(d) "Corporate Status" describes the status of a person who is or was acting as a director, officer, employee, fiduciary, or Agent of the Company or an Enterprise.

(e) “Disinterested Director” means a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

(f) “Enterprise” means any other corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other entity for which Indemnitee is or was serving at the request of the Company as a director, officer, employee, or Agent.

(g) “Expenses” includes all reasonable attorneys’ fees, retainers, court costs, transcript costs, fees of experts and other professionals, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, any federal, state, local or foreign taxes imposed on Indemnitee as a result of the actual or deemed receipt of any payments under this Agreement, ERISA excise taxes and penalties, and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, or otherwise participating in, a Proceeding. Expenses also include (i) Expenses incurred in connection with any appeal resulting from any Proceeding, including without limitation the premium, security for, and other costs relating to any cost bond, supersedeas bond, or other appeal bond or its equivalent, and (ii) for purposes of Section 14(d) only, Expenses incurred by Indemnitee in connection with the interpretation, enforcement or defense of Indemnitee’s rights under this Agreement, by litigation or otherwise. Expenses, however, do not include amounts paid in settlement by Indemnitee or the amount of judgments or fines against Indemnitee, or fees, salaries, wages or benefits owed to Indemnitee.

(h) “Independent Counsel” means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five years has been, retained to represent: (i) the Company or Indemnitee in any matter material to either such party (other than with respect to matters concerning the Indemnitee under this Agreement, or of other indemnitees under similar indemnification agreements), or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term “Independent Counsel” does not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee’s rights under this Agreement.

(i) The term “Proceeding” includes any threatened, pending or completed action, suit, claim, counterclaim, cross claim, arbitration, mediation, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought in the right of the Company or otherwise and whether of a civil, criminal, administrative, legislative, or investigative (formal or informal) nature, including any appeal therefrom, in which Indemnitee was, is or will be involved as a party, potential party, non-party witness or otherwise by reason of Indemnitee’s Corporate Status or by reason of any action taken by Indemnitee (or a failure to take action by Indemnitee) or of any action (or failure to act) on Indemnitee’s part while acting pursuant to Indemnitee’s Corporate Status, in each case whether or not serving in such capacity at the time any liability or Expense is incurred for which indemnification, reimbursement, or advancement of Expenses can be provided under this Agreement. A Proceeding also includes a situation the Indemnitee believes in good faith may lead to or culminate in the institution of a Proceeding.

(j) "Related Parties" means collectively, with respect to any Person, (i) any controlling stockholder, controlling member, general partner, subsidiary, spouse or immediate family member (in the case of an individual) of such Person, (ii) any estate, trust, corporation, partnership or other entity, the beneficiaries, stockholders, partners or owners of which consist solely of one or more of the Principal Stockholder Entities (as defined below) and their respective Affiliates (other than the Company and its subsidiaries, if applicable) and Related Parties and/or such other Persons referred to in the immediately preceding clause (i), or (iii) any executor, administrator, trustee, manager, director or other similar fiduciary of any Person referred to in the immediately preceding clause (ii), acting solely in such capacity.

(k) "Principal Stockholder Entities" means funds affiliated with or advised by LifeCo LLC, Leonard Green & Partners, L.P., LNK Partners, MSD Capital, L.P., Partners Group (USA) Inc. and TPG Global, LLC.

Section 3. Indemnity in Third-Party Proceedings. The Company will indemnify Indemnitee in accordance with the provisions of this Section 3 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding, other than a Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 3, the Company will indemnify Indemnitee to the fullest extent permitted by applicable law against all Expenses, judgments, fines and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, fines and amounts paid in settlement) actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company and, in the case of a criminal Proceeding had no reasonable cause to believe that Indemnitee's conduct was unlawful.

Section 4. Indemnity in Proceedings by or in the Right of the Company. The Company will indemnify Indemnitee in accordance with the provisions of this Section 4 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 4, the Company will indemnify Indemnitee to the fullest extent permitted by applicable law against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company. The Company will not indemnify Indemnitee for Expenses under this Section 4 related to any claim, issue or matter in a Proceeding for which Indemnitee has been finally adjudged by a court to be liable to the Company, unless, and only to the extent that, the Delaware Court of Chancery or any court in which the Proceeding was brought determines upon application by Indemnitee that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnification.

Section 5. Indemnification for Expenses of a Party Who is Wholly or Partly Successful. To the fullest extent permitted by applicable law, the Company will indemnify Indemnitee against all Expenses actually and reasonably incurred by Indemnitee in connection with any Proceeding to the extent that Indemnitee is successful, on the merits or otherwise. If Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or

otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company will indemnify Indemnitee against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection with or related to each successfully resolved claim, issue or matter to the fullest extent permitted by law. For purposes of this Section 5 and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, will be deemed to be a successful result as to such claim, issue or matter.

Section 6. Indemnification For Expenses of a Witness. To the fullest extent permitted by applicable law, the Company will indemnify Indemnitee against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection with any Proceeding to which Indemnitee is not a party but to which Indemnitee is a witness, deponent, interviewee, or otherwise asked to participate.

Section 7. Partial Indemnification. If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of Expenses, but not, however, for the total amount thereof, the Company will indemnify Indemnitee for the portion thereof to which Indemnitee is entitled.

Section 8. Additional Indemnification. Notwithstanding any limitation in Sections 3, 4, or 5, the Company will indemnify Indemnitee to the fullest extent permitted by applicable law (including but not limited to, the DGCL and any amendments to or replacements of the DGCL adopted after the date of this Agreement that expand the Company's ability to indemnify its officers and directors) if Indemnitee is a party to or threatened to be made a party to any Proceeding (including a Proceeding by or in the right of the Company to procure a judgment in its favor).

Section 9. Exclusions. Notwithstanding any provision in this Agreement, the Company is not obligated under this Agreement to make any indemnification payment to Indemnitee in connection with any Proceeding:

(a) for which payment has actually been made to or on behalf of Indemnitee under any insurance policy or other indemnity provision, except to the extent provided in Section 16(b) and except with respect to any excess beyond the amount paid under any insurance policy or other indemnity provision; or

(b) for (i) an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Exchange Act (as defined in Section 2(b) hereof) or similar provisions of state statutory law or common law, (ii) any reimbursement of the Company by the Indemnitee of any bonus or other incentive-based or equity-based compensation or of any profits realized by the Indemnitee from the sale of securities of the Company, as required in each case under the Exchange Act (including any such reimbursements that arise from an accounting restatement of the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), or the payment to the Company of profits arising from the purchase and sale by Indemnitee of securities in violation of Section 306 of the Sarbanes-Oxley Act) or (iii) any reimbursement of the Company by Indemnitee of any compensation pursuant to any compensation recoupment or clawback policy adopted by the Board or the compensation committee of the Board, including but not limited to any such policy adopted to comply with stock exchange listing requirements implementing Section 10D of the Exchange Act; or

(c) initiated by Indemnitee, including any Proceeding (or any part of any Proceeding) initiated by Indemnitee against the Company or its directors, officers, employees or other indemnitees, unless (i) the Proceeding or part of any Proceeding is to enforce Indemnitee's rights to indemnification or advancement of Expenses under this Agreement, including a Proceeding (or any part of any Proceeding) initiated pursuant to Section 14 of this Agreement, (ii) the Board authorized the Proceeding (or any part of any Proceeding) prior to its initiation or (iii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law.

Section 10. Advances of Expenses.

(a) The Company will advance, to the extent not prohibited by law, the Expenses incurred by Indemnitee in connection with any Proceeding (or any part of any Proceeding) not initiated by Indemnitee or any Proceeding (or any part of any Proceeding) initiated by Indemnitee if (i) the Proceeding or part of any Proceeding is to enforce Indemnitee's rights to indemnification or advancement of Expenses under this Agreement, including a proceeding initiated pursuant to Section 14 or (ii) the Board authorized the Proceeding (or any part of any Proceeding) prior to its initiation. The Company will advance the Expenses within forty-five (45) days after the receipt by the Company of a statement or statements requesting such advances from time to time, whether prior to or after final disposition of any Proceeding.

(b) Advances will be unsecured and interest free. Indemnitee undertakes to repay the amounts advanced (without interest) to the extent that it is ultimately determined that Indemnitee is not entitled to be indemnified by the Company, thus Indemnitee qualifies for advances upon the execution of this Agreement and delivery to the Company. No other form of undertaking is required other than the execution of this Agreement. The Company will make advances without regard to Indemnitee's ability to repay the Expenses and without regard to Indemnitee's ultimate entitlement to indemnification under the other provisions of this Agreement. This Section 10 shall not apply to any claim made by Indemnitee for which indemnity is excluded pursuant to Section 9.

Section 11. Procedure for Notification of Claim for Indemnification or Advancement.

(a) Indemnitee will notify the Company in writing of any Proceeding with respect to which Indemnitee intends to seek indemnification or advancement of Expenses hereunder as soon as reasonably practicable following the receipt by Indemnitee of written notice thereof. Indemnitee will include in the written notification to the Company a description of the nature of the Proceeding and the facts underlying the Proceeding and provide such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification following the final disposition of such Proceeding. Indemnitee's failure to notify the Company will not relieve the Company from any obligation it may have to Indemnitee under this Agreement, and any delay in so notifying the Company will not constitute a waiver by Indemnitee of any rights under this Agreement. The Secretary of the Company will, promptly upon receipt of such a request for indemnification or advancement, advise the Board in writing that Indemnitee has requested indemnification or advancement.

(b) The Company will be entitled to participate in the Proceeding at its own expense.

Section 12. Procedure Upon Application for Indemnification.

(a) Unless a Change of Control has occurred, the determination of Indemnitee's entitlement to indemnification will be made:

i. by a majority vote of the Disinterested Directors, even though less than a quorum of the Board;

ii. by a committee of Disinterested Directors designated by a majority vote of the Disinterested Directors, even though less than a quorum of the Board;

iii. if there are no such Disinterested Directors or, if such Disinterested Directors so direct, by written opinion provided by Independent Counsel selected by the Board; or

iv. if so directed by the Board, by the stockholders of the Company.

(b) If a Change in Control has occurred, the determination of Indemnitee's entitlement to indemnification will be made by written opinion provided by Independent Counsel selected by Indemnitee (unless Indemnitee requests such selection be made by the Board).

(c) The party selecting Independent Counsel pursuant to subsection (a)(iii) or (b) of this Section 12 will provide written notice of the selection to the other party. The notified party may, within ten (10) days after receiving written notice of the selection of Independent Counsel, deliver to the selecting party a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Section 2 of this Agreement, and the objection will set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected will act as Independent Counsel. If such written objection is so made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or the Delaware Court has determined that such objection is without merit. If, within thirty (30) days after the later of submission by Indemnitee of a written request for indemnification pursuant to Section 11(a) hereof and the final disposition of the Proceeding, Independent Counsel has not been selected or, if selected, any objection to has not been resolved, either the Company or Indemnitee may petition the Delaware Court for the appointment as Independent Counsel of a person selected by such court or by such other person as such court designates. Upon the due commencement of any judicial proceeding pursuant to Section 14(a) of this Agreement, Independent Counsel will be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

(d) Indemnitee will cooperate with the person, persons or entity making the determination with respect to Indemnitee's entitlement to indemnification, including providing to

such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. The Company will advance and pay any Expenses incurred by Indemnitee in so cooperating with the person, persons or entity making the indemnification determination irrespective of the determination as to Indemnitee's entitlement to indemnification and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom. The Company promptly will advise Indemnitee in writing of the determination that Indemnitee is or is not entitled to indemnification, including a description of any reason or basis for which indemnification has been denied and providing a copy of any written opinion provided to the Board by Independent Counsel.

(e) If it is determined that Indemnitee is entitled to indemnification, the Company will make payment to Indemnitee within forty-five (45) days after such determination.

Section 13. Presumptions and Effect of Certain Proceedings.

(a) In making a determination with respect to entitlement to indemnification hereunder, the person or persons or entity making such determination will, to the fullest extent not prohibited by law, presume Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 11(a) of this Agreement, and the Company will, to the fullest extent not prohibited by law, have the burden of proof to overcome that presumption. Neither the failure of the Company (including by its directors or Independent Counsel) to have made a determination prior to the commencement of any action pursuant to this Agreement that indemnification is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor an actual determination by the Company (including by its directors or Independent Counsel) that Indemnitee has not met such applicable standard of conduct, will be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct.

(b) If the determination of the Indemnitee's entitlement to indemnification has not made pursuant to Section 12 within sixty (60) days after the later of (i) receipt by the Company of Indemnitee's request for indemnification pursuant to Section 11(a) and (ii) the final disposition of the Proceeding for which Indemnitee requested Indemnification (the "Determination Period"), the requisite determination of entitlement to indemnification will, to the fullest extent not prohibited by law, be deemed to have been made and Indemnitee will be entitled to such indemnification, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law. The Determination Period may be extended for a reasonable time, not to exceed an additional thirty (30) days, if the person, persons or entity making the determination with respect to entitlement to indemnification in good faith requires such additional time for the obtaining or evaluating of documentation and/or information relating thereto; and provided, further, the Determination Period may be extended an additional fifteen (15) days if the determination of entitlement to indemnification is to be made by the stockholders pursuant to Section 12(a)(iv) of this Agreement.

(c) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, will not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which Indemnitee reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that Indemnitee's conduct was unlawful.

(d) For purposes of any determination of good faith, Indemnitee will be deemed to have acted in good faith if Indemnitee acted based on the records or books of account of the Company, its subsidiaries, or an Enterprise, including financial statements, or on information supplied to Indemnitee by the directors or officers of the Company, its subsidiaries, or an Enterprise in the course of their duties, or on the advice of legal counsel for the Company, its subsidiaries, or an Enterprise or on information or records given or reports made to the Company, its subsidiaries or an Enterprise by an independent certified public accountant or by an appraiser, financial advisor or other expert selected with reasonable care by or on behalf of the Company, its subsidiaries, or an Enterprise. Further, Indemnitee will be deemed to have acted in a manner "not opposed to the best interests of the Company," as referred to in this Agreement if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in the best interests of the participants and beneficiaries of an employee benefit plan. The provisions of this Section 13(d) are not exclusive and do not limit in any way the other circumstances in which the Indemnitee may be deemed to have met the applicable standard of conduct set forth in this Agreement.

(e) The knowledge and/or actions, or failure to act, of any director, officer, trustee, partner, managing member, fiduciary, agent or employee of the Enterprise may not be imputed to Indemnitee for purposes of determining Indemnitee's right to indemnification under this Agreement.

Section 14. Remedies of Indemnitee.

(a) Indemnitee may commence litigation against the Company in the Delaware Court of Chancery to obtain indemnification or advancement of Expenses provided by this Agreement in the event that (i) a determination is made pursuant to Section 12 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) the Company does not advance Expenses pursuant to Section 10 of this Agreement, (iii) the determination of entitlement to indemnification is not made pursuant to Section 12 of this Agreement within the Determination Period, (iv) the Company does not indemnify Indemnitee pursuant to Section 5 or 6 or the second to last sentence of Section 12(d) of this Agreement within forty-five (45) days after receipt by the Company of a written request therefor, (v) the Company does not indemnify Indemnitee pursuant to Section 3, 4, 7, or 8 of this Agreement within forty-five (45) days after a determination has been made that Indemnitee is entitled to indemnification, or (vi) in the event that the Company or any other person takes or threatens to take any action to declare this Agreement void or unenforceable, or institutes any litigation or other action or Proceeding designed to deny, or to recover from, the Indemnitee the benefits provided or intended to be provided to the Indemnitee hereunder. Indemnitee must commence such Proceeding seeking an adjudication within one hundred and eighty (180) days following the date on which Indemnitee first has the right to commence such Proceeding pursuant to this Section 14(a); provided, however, that the foregoing clause does not

apply in respect of a Proceeding brought by Indemnitee to enforce Indemnitee's rights under Section 5 of this Agreement. The Company will not oppose Indemnitee's right to seek any such adjudication.

(b) If a determination is made pursuant to Section 12 of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding commenced pursuant to this Section 14 will be conducted in all respects as a *de novo* trial on the merits and Indemnitee may not be prejudiced by reason of that adverse determination. In any judicial proceeding commenced pursuant to this Section 14 the Company will have the burden of proving Indemnitee is not entitled to indemnification or advancement of Expenses, as the case may be, and will not introduce evidence of the determination made pursuant to Section 12 of this Agreement.

(c) If a determination is made pursuant to Section 12 of this Agreement that Indemnitee is entitled to indemnification, the Company will be bound by such determination in any judicial proceeding commenced pursuant to this Section 14, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) The Company is, to the fullest extent not prohibited by law, precluded from asserting in any judicial proceeding commenced pursuant to this Section 14 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and will stipulate in any such court that the Company is bound by all the provisions of this Agreement.

(e) It is the intent of the Company that, to the fullest extent permitted by law, the Indemnitee not be required to incur legal fees or other Expenses associated with the interpretation, enforcement or defense of Indemnitee's rights under this Agreement by litigation or otherwise because the cost and expense thereof would substantially detract from the benefits intended to be extended to the Indemnitee hereunder. The Company, to the fullest extent permitted by law, will (within forty-five (45) days after receipt by the Company of a written request therefor) advance to Indemnitee such Expenses which are incurred by Indemnitee in connection with any action concerning this Agreement, Indemnitee's right to indemnification or advancement of Expenses from the Company, or concerning any directors' and officers' liability insurance policies maintained by the Company, and will indemnify Indemnitee against any and all such Expenses unless the court determines that each of the Indemnitee's claims in such action were made in bad faith or were frivolous or are prohibited by law.

Section 15. Non-exclusivity; Survival of Rights; Insurance; Subrogation.

(a) The rights to indemnification and advancement of Expenses provided by this Agreement are not exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Certificate of Incorporation, the Bylaws, any agreement, a vote of stockholders or a resolution of directors, or otherwise. The indemnification and advancement of Expenses provided by this Agreement may not be limited or restricted by any amendment, alteration or repeal of this Agreement in any way with respect to any action taken or omitted by Indemnitee in Indemnitee's Corporate Status occurring prior to any amendment, alteration or

repeal of this Agreement. To the extent that a change in Delaware law, whether by statute or judicial decision, permits greater indemnification or advancement of Expenses than would be afforded currently under the Bylaws, Certificate of Incorporation, or this Agreement, it is the intent of the parties hereto that Indemnitee enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy is cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, will not prevent the concurrent assertion or employment of any other right or remedy.

(b) The Company hereby acknowledges that Indemnitee may have certain rights to indemnification, advancement of Expenses and/or insurance provided by one or more other Persons with whom or which Indemnitee may be associated (including, without limitation, any Principal Stockholder Entities). The relationship between the Company and such other Persons, other than an Enterprise, with respect to the Indemnitee's rights to indemnification, advancement of Expenses, and insurance is described by this subsection, subject to the provisions of subsection (d) of this Section 15 with respect to a Proceeding concerning Indemnitee's Corporate Status with an Enterprise.

i. The Company hereby acknowledges and agrees:

1) the Company is the indemnitor of first resort with respect to any request for indemnification or advancement of Expenses made pursuant to this Agreement concerning any Proceeding;

2) the Company is primarily liable for all indemnification and indemnification or advancement of Expenses obligations for any Proceeding, whether created by law, organizational or constituent documents, contract (including this Agreement) or otherwise;

3) any obligation of any other Persons with whom or which Indemnitee may be associated (including, without limitation, any Principal Stockholder Entities) to indemnify Indemnitee and/or advance Expenses to Indemnitee in respect of any proceeding are secondary to the obligations of the Company's obligations;

4) the Company will indemnify Indemnitee and advance Expenses to Indemnitee hereunder to the fullest extent provided herein without regard to any rights Indemnitee may have against any other Person with whom or which Indemnitee may be associated (including, without limitation, any Principal Stockholder Entities) or insurer of any such Person; and

ii. the Company irrevocably waives, relinquishes and releases (A) any other Person with whom or which Indemnitee may be associated (including, without limitation, any Principal Stockholder Entities) from any claim of contribution, subrogation, reimbursement, exoneration or indemnification, or any other recovery of any kind in respect of amounts paid by the Company to Indemnitee pursuant to this Agreement and (B) any right to participate in any claim or remedy of Indemnitee against any Person (including, without limitation, any Principal Stockholder Entities), whether or not such claim, remedy or right arises in equity or under contract,

statute or common law, including, without limitation, the right to take or receive from any Person (including, without limitation, any Principal Stockholder Entities), directly or indirectly, in cash or other property or by set-off or in any other manner, payment or security on account of such claim, remedy or right.

iii. In the event any other Person with whom or which Indemnitee may be associated (including, without limitation, any Principal Stockholder Entities) or their insurers advances or extinguishes any liability or loss for Indemnitee, the payor has a right of subrogation against the Company or its insurers for all amounts so paid which would otherwise be payable by the Company or its insurers under this Agreement. In no event will payment by any other Person with whom or which Indemnitee may be associated (including, without limitation, any Principal Stockholder Entities) or their insurers affect the obligations of the Company hereunder or shift primary liability for the Company's obligation to indemnify or advance Expenses to any other Person with whom or which Indemnitee may be associated (including, without limitation, any Principal Stockholder Entities).

iv. Any indemnification or advancement of Expenses provided by any other Person with whom or which Indemnitee may be associated (including, without limitation, any Principal Stockholder Entities) is specifically in excess over the Company's obligation to indemnify and advance Expenses or any valid and collectible insurance (including but not limited to any malpractice insurance or professional errors and omissions insurance) provided by the Company.

(c) To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, officers, employees, or agents of the Company, the Company policy or policies will cover Indemnitee to the maximum extent of the coverage available for any such director, officer, employee or agent under such policy or policies, including coverage in the event the Company does not or cannot, for any reason, indemnify or advance Expenses to Indemnitee as required by this Agreement. If, at the time of the receipt of a notice of a claim pursuant to this Agreement, the Company has director and officer liability insurance in effect, the Company will give prompt notice of such claim or of the commencement of a Proceeding, as the case may be, to the insurers in accordance with the procedures set forth in the respective policies. The Company will thereafter take all necessary 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. Indemnitee agrees to assist the Company efforts to cause the insurers to pay such amounts and will comply with the terms of such policies, including selection of approved panel counsel, if required.

(d) The Company's obligation to indemnify or advance Expenses hereunder to Indemnitee for any Proceeding concerning Indemnitee's Corporate Status with an Enterprise will be reduced by any amount Indemnitee has actually received as indemnification or advancement of Expenses from such Enterprise. The Company and Indemnitee intend that any such Enterprise (and its insurers) be the indemnitor of first resort with respect to indemnification and advancement of Expenses for any Proceeding related to or arising from Indemnitee's Corporate Status with such Enterprise. The Company's obligation to indemnify and advance Expenses to Indemnitee is secondary to the obligations the Enterprise or its insurers owe to Indemnitee. Indemnitee agrees to take all reasonably necessary and desirable action to obtain from an Enterprise indemnification and advancement of Expenses for any Proceeding related to or arising from Indemnitee's Corporate Status with such Enterprise.

(e) In the event of any payment made by the Company under this Agreement, the Company will be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee from any Enterprise or insurance carrier. Indemnitee will execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

Section 16. Duration of Agreement. This Agreement continues until and terminates upon the later of: (a) ten (10) years after the date that Indemnitee ceases to have a Corporate Status or (b) one (1) year after the final termination of any Proceeding then pending in respect of which Indemnitee is granted rights of indemnification or advancement of Expenses hereunder and of any Proceeding commenced by Indemnitee pursuant to Section 14 of this Agreement relating thereto. The indemnification and advancement of Expenses rights provided by or granted pursuant to this Agreement are binding upon and be enforceable by the parties hereto and their respective successors and assigns (including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business or assets of the Company), continue as to an Indemnitee who has ceased to be a director, officer, employee or agent of the Company or of any other Enterprise, and inure to the benefit of Indemnitee and Indemnitee's spouse, assigns, heirs, devisees, executors and administrators and other legal representatives.

Section 17. Severability. If any provision or provisions of this Agreement is held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) will not in any way be affected or impaired thereby and remain enforceable to the fullest extent permitted by law; (b) such provision or provisions will be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) will be construed so as to give effect to the intent manifested thereby.

Section 18. Interpretation. Any ambiguity in the terms of this Agreement will be resolved in favor of Indemnitee and in a manner to provide the maximum indemnification and advancement of Expenses permitted by law. The Company and Indemnitee intend that this Agreement provide to the fullest extent permitted by law for indemnification and advancement in excess of that expressly provided, without limitation, by the Certificate of Incorporation, the Bylaws, vote of the Company stockholders or disinterested directors, or applicable law.

Section 19. Enforcement.

(a) The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to serve as a director or officer of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving or continuing to serve as a director or officer of the Company.

(b) This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof; provided, however, that this Agreement is a supplement to and in furtherance of the Certificate of Incorporation, the Bylaws and applicable law, and is not a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder.

Section 20. Modification and Waiver. No supplement, modification or amendment of this Agreement is binding unless executed in writing by the parties hereto. No waiver of any of the provisions of this Agreement will be deemed or constitutes a waiver of any other provisions of this Agreement nor will any waiver constitute a continuing waiver.

Section 21. Notice by Indemnitee. Indemnitee agrees promptly to notify the Company in writing upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification or advancement of Expenses covered hereunder. The failure of Indemnitee to so notify the Company does not relieve the Company of any obligation which it may have to the Indemnitee under this Agreement or otherwise.

Section 22. Notices. All notices, requests, demands and other communications under this Agreement will be in writing and will be deemed to have been duly given if (a) delivered by hand to the other party, (b) sent by reputable overnight courier to the other party or (c) sent by facsimile transmission or electronic mail, with receipt of oral confirmation that such communication has been received:

(a) If to Indemnitee, at the address indicated on the signature page of this Agreement, or such other address as Indemnitee provides to the Company.

(b) If to the Company to:

Life Time Group Holdings, Inc.
2902 Corporate Place
Chanhassen, Minnesota 55317
Attention: General Counsel
Email: legal@lt.life

or to any other address as may have been furnished to Indemnitee by the Company.

Section 23. Contribution. To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, will contribute to the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits

received by the Company and Indemnitee as a result of the event(s) and/or transaction(s) giving cause to such Proceeding; and/or (ii) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transaction(s).

Section 24. Applicable Law and Consent to Jurisdiction. This Agreement and the legal relations among the parties are governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. The Company and Indemnitee hereby irrevocably and unconditionally (i) agree that any action or Proceeding arising out of or in connection with this Agreement may be brought only in the Delaware Court of Chancery and not in any other state or federal court in the United States of America or any court in any other country, (ii) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or Proceeding arising out of or in connection with this Agreement, (iii) waive any objection to the laying of venue of any such action or Proceeding in the Delaware Court, and (iv) waive, and agree not to plead or to make, any claim that any such action or Proceeding brought in the Delaware Court has been brought in an improper or inconvenient forum.

Section 25. Identical Counterparts. This Agreement may be executed in one or more counterparts, each of which will for all purposes be deemed to be an original but all of which together constitutes one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

Section 26. Headings. The headings of this Agreement are inserted for convenience only and do not constitute part of this Agreement or affect the construction thereof.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed as of the day and year first above written.

LIFE TIME GROUP HOLDINGS, INC.	INDEMNITEE
By: _____	_____
Name:	Name:
Office:	Address: _____
	_____
	_____

Exhibit 21.1

Subsidiary	Jurisdiction of Organization
Athlinks Inc.	Delaware
ChronoTrack Administrator LLC	Delaware
ChronoTrack Holdings LLC	Delaware
ChronoTrack Mexico, S. DE R.I. DE C.V.	Mexico
ChronoTrack Systems Europe B.V.	Netherlands
Healthy Way of Life I, LLC	Delaware
Healthy Way of Life II, LLC	Delaware
Healthy Way of Life III, LLC	Delaware
Healthy Way of Life IV, LLC	Delaware
Healthy Way of Life V, LLC	Delaware
Healthy Way of Life VI, LLC	Delaware
Healthy Way of Life VII, LLC	Delaware
Healthy Way of Life VIII, LLC	Delaware
Healthy Way of Life IX, LLC	Delaware
Healthy Way of Life X, LLC	Delaware
Healthy Way of Life XI, LLC	Delaware
Healthy Way of Life XII, LLC	Delaware
Healthy Way of Life XIII, LLC	Delaware
Healthy Way of Life XIV, LLC	Delaware
Healthy Way of Life XV, LLC	Delaware
Life Time, Inc.	Minnesota
Life Time Captive Insurance Company	Vermont
Life Time Digital, LLC	Delaware
Life Time Foundation	Minnesota
Life Time Mixed Use Management Services Company, LLC	Delaware
Life Time Mixed Use Real Estate Company, LLC	Delaware
Life Time Real Estate Development & Construction, LLC	Delaware
LT Canada Co-Borrower GP Inc.	Ontario, Canada
LT Canada Co-Borrower Holdco, LP	Ontario, Canada
LT Canada Co-Borrower, LP	Ontario, Canada
LT Co-Borrower, LLC	Delaware
LT Co-Borrower Holdco, LLC	Delaware
LT Headquarters 2, LLC	Delaware
LT Living (Dallas) Managing Member, LLC	Delaware
LT Living (Dallas) Property, LLC	Delaware
LT Mixed Use (Dallas-Montfort), LLC	Delaware
LT Mixed Use (Stevens Creek), LLC	Delaware
LT Mixed Use ReCo (Henderson), LLC	Delaware
LT MRS Holdings, LLC	Delaware
LT (Connecticut) Property Management Company, LLC	Delaware
LT (Florida) Property Management Company, LLC	Delaware
LT (Illinois) Property Management Company, LLC	Delaware
LT (Massachusetts) Property Management Company, LLC	Delaware
LT (Nevada) Property Management Company, LLC	Delaware
LTF Architecture, LLC	Delaware
LTF Intermediate Holdings, Inc.	Delaware
LTF Club Management Company, LLC	Delaware
LTF Club Operations Company, Inc.	Minnesota
LTF Club Operations Company Canada Inc.	Ontario, Canada
LTF Club Operations Company Kansas, Inc.	Kansas
LTF Construction Company, LLC	Delaware
LTF Educational Programs, LLC	Delaware

LTF Ground Lease Company, LLC	Delaware
LTF Lease Company, LLC	Delaware
LTF Lease Company (Manhattan Four), LLC	Delaware
LTF Management Services, LLC	Delaware
LTF Maryland Liquor, LLC	Maryland
LTF Operations Holdings, Inc.	Minnesota
LTF Real Estate CMBS II, LLC	Delaware
LTF Real Estate Company, Inc.	Minnesota
LTF Real Estate Holdings, LLC	Delaware
LTF Real Estate MP I, LLC	Delaware
LTF Real Estate MP II, LLC	Delaware
LTF Real Estate MP III, LLC	Delaware
LTF Restaurant Company, LLC	Delaware
LTF Triathlon Series, LLC	Delaware
LTF Yoga Company, LLC	Delaware
Massage Retreat & Spa, Inc.	Delaware
Massage Retreat & Spa Franchise Company L.L.C.	Minnesota

Exhibit 23.2

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the use in this Registration Statement on Form S-1 of our report dated June 28, 2021, relating to the financial statements of Life Time Group Holdings, Inc. We also consent to the reference to us under the heading "Experts" in such Registration Statement.

/s/ Deloitte & Touche LLP

Minneapolis, Minnesota
September 13, 2021